

2008

SOCIALUTIONS

Management Methods for The Social Era

Management methods of the past must change in order to survive the social era. This book examines the issues and illustrates the new management methods required to succeed

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Socialutions

Management Methods for the Social Era

E-Book Edition

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Socialutions: Management Methods for the Social Era

This book introduces the breakthrough management methodology of *Socialutions* as the premier innovative management methodology to be employed by businesses. This methodology changes the way businesses are run and how innovation is captured by addressing social media technology and incorporating customer input in the development of products and processes.

Adopting Socialutions as a methodology means that people, communities, and organizations will leverage technology to interact with one another for the purpose of solving problems. Socialutions will enable and necessitate individuals to work collaboratively to create new solutions to old paradigms of communications, and to interact without boundaries and with limitless reach.

ACKNOWLEDGEMENTS

This e-book was created with the support of individuals in our global, virtual social networks whose postings, comments, questions, and observations were a source of information and inspiration.

We thank the founders, owners, managers and technical support staff of the social media platforms and technology supporting our virtual connections. The emerging and developing mediums and their leaders enable us to share our interest in and knowledge of social media.

In addition, we thank the users of social media who continue to push and empower us to comment on, develop, implement, and enhance continual technological and systemic improvements in the social media space.

Contents

Chapter 1 What Is Socialutions?

Socialutions: A Process, Product or Philosophy?
Six P's + Leadership = Socialutions
Socialutions: Is It Disruptive Innovation?
How Do You Infect Minds?
Cultural Socialutions – Oxymoron or Logical Thought Process?

Chapter 2 Is It We the Peoples?

How Fast Is Web Time?
Is Time the Driving Factor?
Everything in My Place?
Are You a Billboard?
Who Are the Social Mavericks?

Chapter 3 Has the Game of PR Changed?

Socialutions: What Is PR?
What Are Virtual Chain Reactions?
Do We Really Want Customer Service?
Collaborative Socialutions...Where Does Collaboration Fit In?
Collaborating with Co-Workers and Customers: Socialutions as a
Management Strategy
Customers Can Get Satisfaction – With Sunshine Socialutions

Chapter 4 Branding in the Virtual World

Are Ads the Only Advertisements?
Will Advertising Methods Shift?
How Long Can They Pretend?
An Iceberg for Brands?
Who Controls Brand Equity?

Chapter 5 How Digital Savvy Are You?

Is Trust the Biggest Factor?
Cabling Together: Is That Comcastic?
Should Companies Play Catchball?
Will Video Create the Next Shift?
A Virtual Broadcast Network?
Is a Socialutions Battle Brewing?

Chapter 6 What Are the Five Social Media Business Factors?

What Are the Enabling Factors?

What Are the Empowerment Factors?
What Are the Engagement Factors?
What Are the Enrichment Factors?
What Are the Enticement Factors?
What Are the Five Social Business Factors?

Chapter 7 An Influence over Capital?

The Freedom or Power of Speech?
How Good Is the Promise?
Does Business Need Innovation?
How Fast Can You Get to Free?
Ready, Fire, Aim?
Does Revenue Come from Free?

Chapter 8 Leading Business Solutions

How Passionate Is Business?
A Mesh of Principles?
How Do You Find the Right People? Recruiting Socialutions!
How Do You Lead Socialutions?
Solutions for Business?
How Bright Is Future Business?

Chapter 9 Socialutions: What About Results?

Socialutions Implementation Strategy: Taking Your Company
from Zero to Hero on the Social Web
What Are the Keys to Business Transformation?
Who Has the Right Socialutions?
What Are the Business Solutions?

Conclusion An Interactive Revolution?

About the Authors

Link to Your World

Figure

<i>Figure 1</i>	<i>Driving through Media</i>	
	<i>Tony Laubach.....</i>	<i>43</i>
	??	

Table

<i>Table 1</i>	<i>Types of Advertising Trusted by Internet Users Worldwide (eMarketer, 2007).....</i>	<i>42</i>
----------------	--	-----------

Chapter 1

What Is Socialutions?



The social web represents people interacting, seeking and finding solutions to problems, information, and career opportunities in a new organized structure. The fluidity and dynamics of this structure change all the old rules and paradigms of problem solving.

To understand this new dynamic, we must define it using a combination of words from our established dictionary.

The Wiktionary defines the

term "solution" as:

1. An act, plan or other means, used or proposed, to solve a problem.
2. The act or process of explaining or proposing an approach to solving a problem. (business)
3. A homogeneous mixture, which may be liquid, gas or solid, formed by dissolving one or more substances. (chemistry)
4. The answer to a problem. (mathematics)
5. Satisfaction of a claim or debt. (law)

The word social has come to mean many things but the basic definition is:

1. Characterized by, or inclined to living together in communities
2. Of or relating to the structure, organization, or functioning of society.
3. Something worked out to explain, resolve, or provide a method for dealing with and settling a problem.

We have coined a new word, "**Socialutions**" and defined it as *people, communities and organizations leveraging technology to interact with people for the purpose of solving problems; the act of working together with others to create new solutions to old paradigms of communications and interaction without boundaries and with limitless reach.*

This definition best defines the new paradigm of problem solving and finding innovative solutions through social exchanges. Socialutions redefines organizational and institutional methods used previously to manage people and groups as well as customers and suppliers.

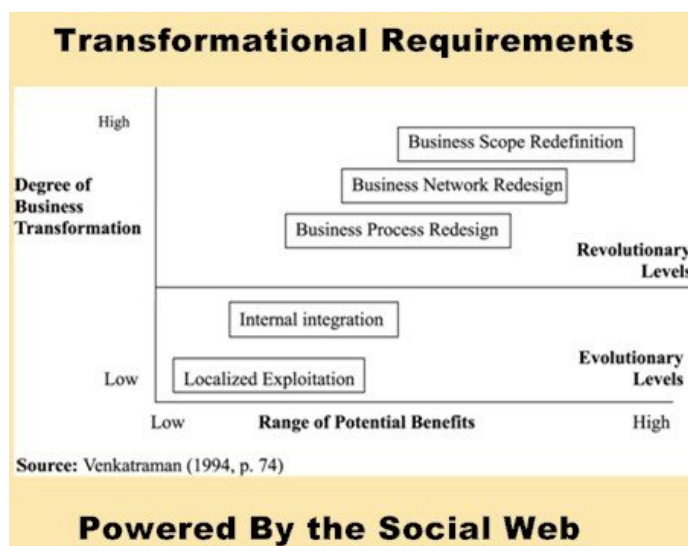
When a new method or paradigm is introduced, the old methods and mindsets must be thrown out in order for the new method to be truly optimized. Optimization of knowledge comes from the collaboration of many, and wisdom can come from the crowds or swarms. Yesterday's solutions to customer service, product development, human resource management and a host of other traditional organizational processes are being turned upside down and inside out.

For those who are currently using pre-social media management methodologies, in order to adapt and flourish in the new paradigm they must understand the dynamics, the tools, and the methods of Socialutions. Otherwise, any attempts to leverage the new paradigm by forcing it to fit into old methods will create social rejections and the old problems will remain. Further, the results will be worse than previously experienced because people do not want to be tricked into something that is not real, social, and involves them in finding solutions.

Companies must begin to apply Socialutions to their existing and future problems before the problems become social and public relations nightmares. Socialutions is about **uniting relations** aimed at a common purpose. United Relations, found at <http://www.linktounitedrelations.org>, promotes this concept and is a movement for users to organize and set the agenda for the future of the web.

Socialutions: A Process, Product or Philosophy?

Socialutions is a shift in thinking for people and organizations. The shift is enabled by the knowledge of what drives the social dynamics of today's web of relations.



The new knowledge transcends thinking much as "the Quality Movement" of the eighties, transcends in that is neither a product nor process (although processes are involved). Rather it is a philosophy of a new management paradigm. The new management paradigm labeled "Socialutions" includes:

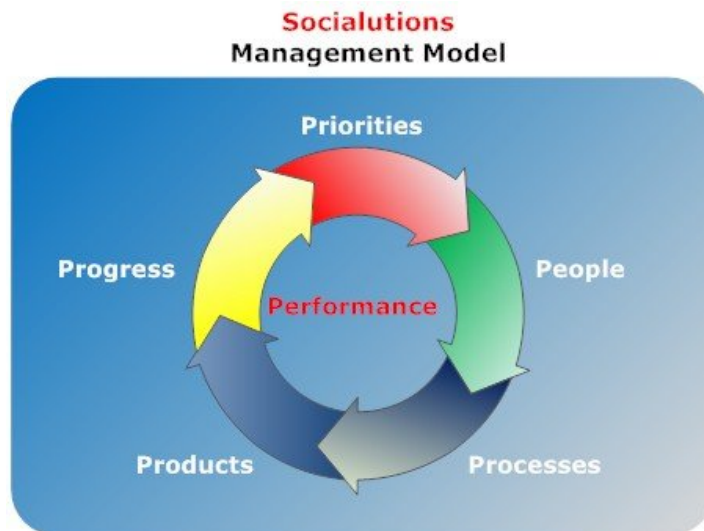
1. **Tapping** into the organization's greatest resource: people (employees, customers & suppliers) for innovation, problem solving and breakthrough ideas.
2. **Engaging** in open and honest conversations without corporate spin or adherence to past policies.
3. **Enabling** customers and suppliers to assist in the rapid improvement of the organization's feedback loops.
4. **Changing** from spin marketing to conversational marketing.
5. **Removing** corporate barriers to honest and open conversations i.e., power and political barriers.
6. **Leveraging** "free" technology to improve processes, products and communications.
7. **Responding** time to issues and critical conversations is targeted at the immediate.
8. **Finding** ways to leverage social media that breaks down barriers and reduces cost forever.
9. **Learning** how to listen to the voice of the people repeatedly. Education becomes a constant—a must.
10. **Leading** the transformation of your culture and asking everyone to engage in the process, from the top to the bottom, inside and out.

The converging dynamics of open conversations and technological breakthroughs will transform markets at the click of a mouse. **If your business cannot see that the train is coming, then it just may be sitting on the track looking in the wrong direction.** At some point your organization may be surprised as to how fast it is losing customers to either an existing or new company that has embraced the transformation before you.

There is a lot more to learn but even more to forget. Socialutions is a transformation of mind and heart for businesses and their relationships with people. **Transformation is everyone's job but leaders have to agree that things need to change.**

Six P's + Leadership = Socialutions

Businesses are just now beginning to examine the power of the social web for business purposes. However, most approach it as a marketing mechanism rather than as a movement that requires a new management model if organizations are truly going to optimize Socialutions.



Management practices and theories have changed overtime as markets have matured and pressures for performance have increased exponentially. From the Industrial Era to the Information and Knowledge Era, organizations have had to adjust their management methods to survive and compete. Now we enter into the "**Social Era**" and

again management methods and theories must change to survive with the globalization of markets and interactions with people.

We have examined the required changes in methods, models and mindsets and identified the six P's of the next shift in organizational design required to prosper and perform during the emerging Social Era. The Social Era is defined as a shift in management methods that are:

1. Characterized by, or inclined to working together in organizations and communities.
2. Of or relating to the structure, organization, or functioning of the organization as a social organism.
3. Something worked out to explain, resolve, or provide a method for dealing with and settling a problem of performance and progress.

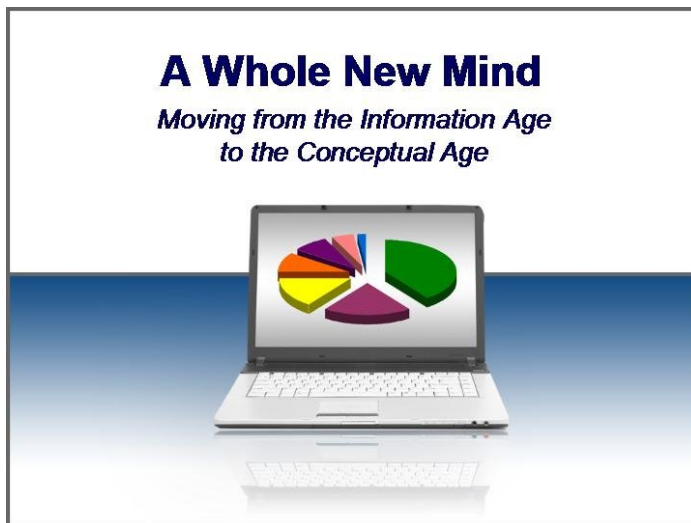
Socialutions is a management method driven by six P's which are:

1. **Priorities:** Leadership's responsibility is to set the priorities based on feedback loops from markets, people (suppliers, employees & customers) and the markets the organization serves.
2. **People:** The greatest asset of any organization is the people--people given the tools and the freedom to create solutions that enable the organization to move progressively towards its vision, its customers, and its markets.
3. **Process:** Organizations need processes, but many times processes restrict the organization. People empowered to remove or change processes with the aim at better serving the customer, internal and external, should be the primary process of importance. If policies and processes are in the way of progress, let the people remove them.
4. **Products:** Whether manufacturing a hard product or delivering soft services, the people and processes produce products.

5. **Progress:** Unless customers, both internal and external, are able to achieve progress then whatever your organization has produced is a waste of time and effort to the end user and their need to make progress as they define it, both internally and externally.
6. **Performance:** Bottom-line results are a measure of income and profit for shareholders. In order to improve performance during the Social Era the emphasis must be placed on never ending changing improvement of the previous five P's. Leading and managing performance starts with step 1 and ends with step 5--which produces step 6.

The driving factors of the Social Era will be technology, education, adaption and speed. Organizations will win or lose employees, customers, suppliers and markets based on their effective or ineffective adoption of Socialutions as the management method for the future.

Socialutions: Is It Disruptive Innovation?



The web is exploding with innovation, and businesses are racing to define ways to monetize the new markets created by innovation. However, chasing the innovations does not always equate to capturing the value chain and creating new revenue streams.

Innosight reports, "Twenty-five percent of all new products that established

companies introduce in their markets succeed. Seventy-five percent fail. Ten percent of companies can maintain a level of growth which satisfies their shareholders over the long term. Ninety percent cannot."

*"Most of those companies seem to be doing the right things — listening to their best customers, keeping a close eye on competitors, and investing heavily in technological advancements. Long-term success requires more. It requires that companies develop strategies around **disruptive innovation.**"*

Companies that unleash the power of disruptive innovation can create booming growth businesses, but what exactly is "disruptive innovation"?

"The disruptive innovation model explains how companies can create new growth by delivering relatively simple, convenient, low-cost innovations to consumers who are overshot by existing offerings or who are locked out of a market due to a lack of skills, wealth, access or time. These consumers are delighted with "good enough" products that enable them to solve an important problem they could not adequately solve before, at a price point that is palatable."

Why Some Can and Some Cannot

It is safe to say that today's web is disruptive, but turning disruption into revenue takes more than innovation. Most of today's disruptive technologies are being fueled by small organizations made up of youthful minds, and the culture of these organizations is not conducive to historical "corporate cultures." The "disruptive" organization is a **social organization** whose creativity **facilitates solutions and capabilities** never before imagined and fueled by the social web. What makes Facebook grow? Is it due to the independent application developers or the users or the very "social utility" created by **collective culture** of the Facebook Economy? None of these dynamics is traditional to the typical corporate mindset.

We are witnessing the impact of a **Social Era** on business design and management, and the new business models are able to capture and quickly turn innovation into revenue. The new model is one of "**Socialutions**," it is in of itself a "disruptive innovation" that changes the way businesses are run, and innovation is captured.

In the Business Week article titled *How Google Fuels Its Idea Factory: CEO Eric Schmidt describes the simple principles driving the company's steady stream of innovations.*

"Can other companies emulate Google's famous model of letting engineers spend about 20% of their time on projects outside their main job?"

"The story of innovation has not changed. It has always been a small team of people who have a new idea, typically not understood by people around them and their executives. [This is] a systematic way of making sure a middle manager does not eliminate that innovation. If you're the employee and I'm the manager, and I sit down and say, "Our product's late, and you screwed up, and you gotta work on this really hard," you can legally say to me, "I will give you everything I've got, 80% of [my time]."

It means the managers can't screw around with the employees beyond some limit. I believe that this innovation escape-valve model is applicable to essentially every business that has technology as a component."

"Why are not many other companies doing this, too?"

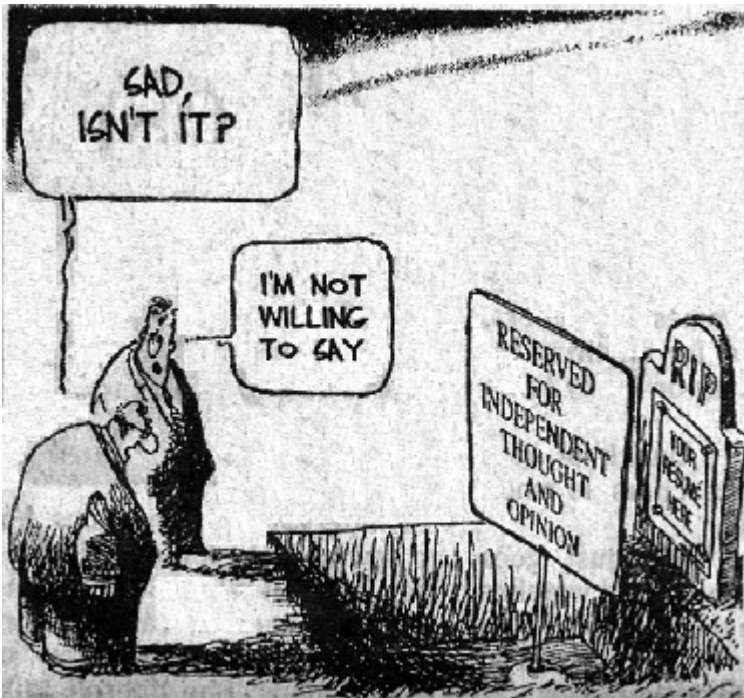
I think it's (sic) cultural. You have to have the culture, and you have to get it right."

Sounds like Google lives Socialutions.

How Do You Infect Minds?

In the physical world, infections are usually a reference to our bodies. In the virtual world, the term 'infections' usually carries a connotation of viruses infecting our machines. However, there is another dimension of infection and that is in reference to our minds.

If you can infect a mind, you can control the body.



An **infection** of our minds is the colonization of our thoughts by the thoughts and words of others. In an infection, the infecting thoughts and words from others seek to utilize our resources to multiply. The infecting words interact with the normal thinking of our minds and can lead to a **"viral infection"** when we pass the thoughts and words on to others.

A **"secondary viral infection"** is an infection that occurs during or following reaction to our

thoughts, ideas and words originated by our primary infection. The infection of ideas, perspectives, news and commentary spreads to "swarms and hives" of communities who mass the infection according to Metcalf's Law.

Which Viral Infections Have the Greatest Impact on Our Minds?

Based on some rudimentary analysis, we find the following categories of viral infection:

1. **Breaking News:** Grabbing the readers' attention about technological developments, movers and shakers, etc. This creates a short tem infection.
2. **Perspectives:** Peoples' ideas, opinions and perspective on the emerging virtual world and its meaning. The spread of this infection depends on the rationale and sound thinking behind the perspectives.

3. **Personality:** An individual, groups of individuals or communities that infect others by creating attraction through personality, much like celebrities.
4. **Thought Leaders:** Those individuals or firms who publish research or share insights into the future of the virtual world.
5. **Market Makers:** Those individuals or organizations that create new and useful functionality and features to the virtual world experience.

Now think about what and whom you follow on the web. Which category of "infection" is it that affects your mind the most? The game is to decide whether you can create an infection or if you are being infected. Now imagine if we could organize our virtual world by uniting relations around the categories of infection. In essence our collective ability to infect entire markets could be profound, but not until and unless we organize our efforts. That is why we are suggesting that we unite our relations using the United Relations social media platform at <http://www.linktounitedrelations.org>. Rather than being infected, we, the users, can infect the markets with more influence.

Cultural Socialutions – Oxymoron or Logical Thought Process?

The marketplace is buzzing with the new way of solving problems.

We previously defined Socialutions as *people, communities and organizations leveraging technology to interact with people for the purpose of solving problems; the act of working together with others to create new solutions to old paradigms of communications and interaction without boundaries and with limitless reach.*

The irony of starting with a definition lies in our use of contemporary tools. In order to provide an easy way to use their product for more searches, Google™ has a relatively simple code that allows us to type in "define: the word you want to define." Entering the words "define: socialutions" you are asked "Did you mean to search for: "*define associations?*" Note that Google™, as they often do, tries to be helpful when they find nothing based on your typing . . . and **they relate socialutions with associations!**

So how is Associations defined? Dictionary.com has a head start when they define association as: "An organized body of people who have an interest, activity, or purpose in common." Coincidentally, that is exactly what it will take to implement solutions . . . an organized body that has interests and purposes in common.

Does that define today's organizations?

In the proposed definition, we identify the need for organizations *working together with others to create new solutions.* What could possibly stop this collaboration from happening? Personal agendas, political grievances, a lack

of agreement . . . all wrapped up in the culture of the organization are what can stop progress and innovation!

Why is the culture a problem when it comes to implementing socialutions? Inherent in the suggestion that a solution is in order is the implication that there is a problem. Most of us, organizational leadership included, want to hear anything but that culture is the problem. The existence of a problem rarely means that everything has been done well. It often means someone has missed something, and that someone may be us or someone who works for us. Usually, problems mean added costs, and that is rarely considered good. However, socialutions does not need to indicate the existence of a problem.

Socialutions can be used to define a paradigm of problem solving and finding innovative solutions through social exchanges. Envision a Corporate Socialution!

Many leaders understand the *problem solving* part; it is the innovation part with which they have difficulty. As has been noted already, the paradigm means: *Engaging the organization's employees, customers and suppliers for innovation, problem solving and breakthrough ideas, changing the marketing focus, removing barriers, and leveraging technology and social media to increase response time by listening and learning.* The result can only be a changed paradigm, with a cultural transformation where everyone is engaged.

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Chapter 2

Is It We The Peoples?



The construct of our virtual community has people learning to unite around common causes—topics and the conversations abound. History has shown a pattern of power shifts fueled by conversations united, focused and pointed at specific desires for change voiced by the collective peoples.

Today the web is enabling a stronger unification of voices whose influence is reaching epic proportions. Whether the voices speak to global issues of concern, corporate behavior or reactions to the news of the day, threads of conversations by the people stream without boundaries and build momentum in influence.

There are numerous examples of this dynamic happening even with today's technological constraints. For example:

1. **Community** formation centric to issues, corporations and causes are exploding across all "**networks.**"
2. **Participation** by people in these communities is creating loud voices of influence being heard and reported by traditional media.
3. **Demand** for change centric to the issues of the peoples concern, desire and expectations is creating reactions by those affected by the peoples' demand.
4. **Reactions** by the markets, the corporations and institutions ignite conversations in support of or against the reactions.
5. **Organization** of these new dynamics and how to manage them effectively is fueling the need for new methods of adaptation by markets, media, organizations, institutions and individuals.
6. **Managing the outcomes** of these dynamics is and will continue to become the factors of success or failure of the participants.
7. **A method used to manage the outcomes is** becoming a new management process aimed at collaborative win-win solutions that the collective people desire called **Socialutions.**

Just maybe the web of people can help bridge the historical cap between them, the organizations, and us, the people. After all, an organization is nothing more than a collection of people with a common purpose. How the people and related solutions are managed and the methods employed create the difference between success and failure. An organization without people is an empty shell with no purpose.

Tomorrow's successful organizations will be driven by a new method and philosophy based on "**We the Peoples are all aimed at Socialutions**" that creates perpetual value for markets of other people, our shareholders, suppliers and customers—the people. We are not talking about socialization rather Socialutions. There is a difference--it is about **united relations** aimed at common purposes -- yours, mine and ours. You will get it if you understand the methods.

How Fast Is Web Time?

When you do a search for the words "Web Time" very little comes up to define the term, elements, or dynamics. Time has become a major factor in the lives of people. There never seems to be enough of it, people demand it, and most people want more of it.

In our nanosecond, hyperspeed world of instant communications and expectations of instant answers, we get frustrated when "*people and processes*" steal our time. We want answers, solutions and actions now!

When we do not get instant answers, immediate solutions to our problems, or responses to our inquiries it creates a negative, frustrating emotion. The whole dynamic of "customer service" is driven by the time factor, and the "answer me now or I'll be frustrated and disappointed" position of the inquirer. Just look at the blogosphere and consider what people are complaining about, such as: *they took too much time, they couldn't resolve my problem, and they put me on hold. I had to go through ten voice response steps to get to a live person and even then they transferred me to another person and I was on hold yet again.*

The more time a supplier steals from their customers, the less time customers have to get things done! As the major brands wander into the social web, the first thing they need to do is ensure that they can operate in web time, and that is **RIGHT NOW**, not later!

Customers are used to real time communications and if your customer support system is not designed for real time responses, then you are damaging and hurting your brand and your reputation and hurting your customers.

How Important is Web Time?

MediaPost Research Brief notes: "*Among the initial findings of a new study, "Exploring the Link Between Customer Care and Brand Reputation in the Age of Social Media," by the Society for New Communications Research, "... there is a growing group of highly desirable consumers using social media to research companies: 25- to 55-years old, college-educated, earning \$100,000+..." said Dr. Ganim Nora Barnes, senior fellow, SNCR.*"

"As social media usage becomes more ubiquitous, says the summary report, affluent consumers are using social media channels to share their personal customer service experiences and learn about others' care experiences when making purchase decisions."

Top findings include:

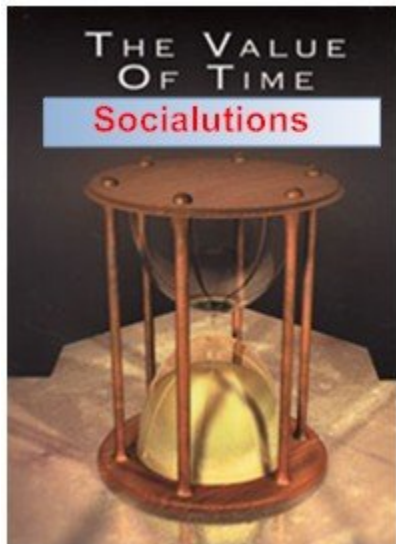
- 59.1% of respondents use social media to "vent" about a customer care experience.
- 72.2% of respondents research companies' customer care online prior to purchasing at least sometimes.
- 84% of respondents consider the quality of customer care at least sometimes in their decision to do business with a company.
- 74% choose companies/brands based on others' customer care experiences shared online.
- 81% believe that blogs, online rating systems and discussion forums can give consumers a greater voice regarding customer care.
- Less than 33% believe that businesses take customers' opinions seriously.
- Search engines are considered to be the most valuable online tools for this research.

No matter what the brand is or what product or service it represents, ***the time factor distinguishes the winners from the losers***. All brands promise customer care but only a few are doing it in web time. Just try going to any ISP's or wireless carriers web page. What is your immediate impression? Is the Web Site a waste of time because you cannot find the information or help that you need? These sites are not very social to say the least. If you are not good at responding, if you waste peoples' time and create frustrations, those people will take the time to tell everyone about their experiences, one-to-one to millions at the click of a mouse.

In addition to saving the customer time, brands will also need to create social solutions that actually give the customers more discretionary time.

Impossible? Well maybe you are not looking in the right places because the possibilities are endless and they are called **Socialutions**. If you do not understand it, either your competition or your customers (which may be the same) will and your market will shift at the click of a mouse.

Is Time the Driving Factor?



With so many demands vying for our time and attention, sometimes even a simple, uninterrupted phone call seems to be a stretch of the imagination. Cell phones, personal digital assistants (PDAs), instant messaging, pagers, faxes, emails, and the list goes on, all contribute to information availability and overload.

In Western society, we have been trained to “want what we want, when we want it - five minutes ago.” Microwave ovens, cell phones, instant potatoes, lightning-speed internet searches, 24-7 news channels, all have conditioned us to get things done faster. We are all chasing time as a value that drives us to

either save or gain more of it.

Our attention is really the driver of the use of time. Time and attention are the factors to getting massive personal and professional leverage; by capturing the attention of someone, you are more likely to get others’ time and attention. **Learning how to leverage time is the means of getting more peoples’ attention while saving your own time.**

The web is becoming the means which enables massive personal and professional leverage, because you can reach the masses or swarms rather than reach a few. Those who can accomplish the greatest mass of personal and professional leverage will be those who gain the most use of their own time. Those who adopt, or more appropriately, transform their thinking, and learn how to use the web effectively and efficiently, will perpetuate value faster than ever before. The dynamics we are all facing becomes the Paradox of Choice, or where should we spend our *most valuable asset - time?*

Is the Web a Time Transport Mechanism?

In transport economics, the **value of time** is the opportunity cost of the *time* that travelers spend on their journey. In essence, this makes it the amount that travelers would be willing to pay in order to save time, or the amount they would accept as compensation for lost time. **Is not the web anything more than a highway of transportation?**

One of the main justifications for improvements to the web is the amount of time that people and businesses will save. Using a set of values of time, the

economic benefits of any improvement can be quantified in order to compare them to the costs (thus forming the basis of cost-benefit analysis).

The value of time varies considerably from person to person and depends upon the purpose of web usage, but it can generally be divided into two sets of valuations: **working time** and **non-working time**. This division is appropriate because the value of working time (i.e. time spent on the web in the course of work) is calculated differently from the value of non-working time (i.e. time spent on the web outside work).

Where are People Spending Their Time Today?

People are spending twice as much time online as they are watching TV, a new study of consumer behavior by analyst firm IDC has found.

Silicon Republic reported, *"The study found that the average amount of time spent online is 32.7 hours per week, compared with 16.4 hours spent watching TV."*

"The time spent using the internet will continue to increase at the expense of television and, to a lesser extent, print media," said Karsten Weide, programme director, digital media and entertainment at IDC.

When Will the Web Give Back Time?

People have little patience with poor performance. While we are experiencing emerging web developments daily, much of it is a distraction and robs us of time. However, when we consider the converging activities in today's marketplace and initiatives such as Vendor Relationship Management (VRM), it will not be long before the web will become the utility of choice for enhanced personal and professional productivity gains. Then the attraction will magnify and draw masses faster than ever before, and we will experience the dawning of The Relationship Economy fueled by Socialutions never before anticipated or experienced.

The time factors will become the market factors, and those who understand "how to" will gain back time. Commerce will accelerate and new markets for businesses prepared will pull and attract consumers from old markets.

Everything in My Place – A Time Saving Application

As we watch developments across the web, we look ahead as to where and when the functions and features will converge. Candidates include features such as video, micro blogging, networking, blogging, feeds, search etc.; functions such as user centric controls for all web activities and interfaces; and finally, yet importantly, how users and brands can monetize all these activities with user centric controls and ease of use.

Mary Meeker of Morgan Stanley states, "Moving on to video and then wrapping it up with monetized. This is the data of Cash Logic that I shared a little bit earlier. Peer-to-Peer file sharing traffic was 66 percent of Internet traffic in 2004. Video was the major portion of that at about 60 percent. The momentums for online video has continued to build these two next slides are eye sore with intent. In October of 2005 when the crew at Disney associated with Apple for the download of Lost and Desperate Housewives that was a bit of an eureka' moment for the online video industry as the other major players realizing they needed to figure out an Internet strategy. This is the 27 events that have happened last year kind of culminating with Google's acquisition of YouTube."

"Online video has been out there, it has been largely available on peer-to-peer sites and increasingly it's becoming tagged, findable and easy to search. If we look at usage of video specifically, we believe that, this is again comScore data, that minutes' growth on the Internet it continues to outpace page view growth. We think a lot of that has to do with usage of video."

"Last point almost, 10 years ago if we had asked everyone in this room, a lot of very smart people, who would be the top 15 Internet retailers in 2005 we wouldn't have this list. We might have voted Amazon at the top of the list. We wouldn't have had Newegg at number 10. We wouldn't have had a group of offline retailers dominating the other 13 spots. Our question for the media companies is "Why shouldn't the media companies be in the same spot for the mother load of video if they have the opportunity of monetize it?"

"Google and Yahoo account for about 60 percent of US online advertising revenue, per IB data. In turn, they share 30 percent of that with their partners and affiliates. That's a lot of money shared with a lot of other players. Eric talked about yesterday on his Google presentation we think the opportunity is there is on the video side."

How About an All in One Application that Floats?



GoYoDeo, a division of The Floating Apps Company, launched a "floating web" application. The application enables users to create and distribute video by channel, publish personal photo content, micro-blog, rate, network and search all within one application. The application floats wherever you go on the web. The application is viral in that your friends can follow your broadcast and

other web activity right on your app or interface you into their own app.

Now given the users' threshold of pain relative to today's web, GoYoDeo is attempting to resolve those pains while continuing to add functions and features that users want. Just maybe GoYoDeo has moved the game to the next level.

Are You a Billboard?



People work the web for multiple purposes. Each individual tries to gather attention, friends, and entire communities around their messages. The web in turn continues to feed us new tools in which to connect, communicate and spread our messages. Contained in these messages is new information, different

perspectives and conversations about brands, markets and people.

The web presents a new "system" that is ever evolving and creating new dynamics and new rules to old games. The irony of the evolving "system" of the web is that it is largely influenced by the preferences and privileges of people creating new markets. The new markets are creating new rules to old games. **The new rules are people centric and value driven. The Socialutions of the day lie not within the system of technology, rather of "people and values."**

What Are The People Values?

Seth Godin writes: *"The web is nothing but a system, a bunch of (largely unwritten) rules regarding search, linking, promotion, etc. It's fascinating to watch as some people work hard to work the system, and succeed time and time again, while others waste countless hours with one scheme after another designed to beat the system. They invent cloaking devices and seo scams and pyramid schemes and lightly disguised spam pages, constantly struggling to stay ahead (and to stay quiet). Sure, you can beat the system (any system) for a while, but it's a constant struggle."*

"In Ultimate Frisbee, there are no referees. The system insists that you make your own calls... players closest to the play call it, with no real appeals. The goal: play in the spirit of the game. If you keep working to beat the system, you'll end up with no one to play with. Work the system, and you'll win now and later."

A "system" that encourages you to make your own calls runs on unspoken rules that dictate human behavior. Unspoken rules operate on a value system that enhances relations and runs on "community trust." If you do not know these unspoken rules, then you are likely to stand out like a "Billboard on Wall Street." Just know that the new "system" is not friendly to Billboards.

Who Are the Social Mavericks?



A **Maverick** is a person with independence of thought or action, a non-conformist. As a verb, it means to seize something without holding a lawful claim to it.

The web enables millions of people to express independent thought about anything, everything or anyone. However, some express

thoughts that gain momentum with millions attaching themselves to a **thought**, which then becomes a movement against a brand, a process or a methodology.

Consider the Conversational Impacts:

- A Maverick can start a conversation about a brand's actions, attitudes or policies that seem anti-social and the masses follow.
- A Maverick can start a conversation about the stupidity of a process that is anti-social and the masses follow.
- A Maverick can start a conversation about a ridiculous method, which appears to be anti-social, and the masses follow.

The key word that describes a Virtual Maverick is "non-conformist." They look at institutional processes, methods and policies and reject them as nothing more than a control mechanism. A Virtual Maverick attracts followers who agree with a position or perspective, and these followers spread the message, one-to-one to millions.

The momentum of the subsequent conversations builds and creates "pain" for individuals, businesses and entire institutions who feel threatened by the potential of a "social movement" that no longer wants or is willing to conform

to the ways of the past. The threat of losing "control" creates a threat to the "conformist" system that for years has created their economic gains, and is a threat to the economic foundation of traditional actions, systems, policies or methods.

Who are today's Virtual Mavericks?

Today's Virtual Mavericks are the thought leaders who forge ahead boldly and dare to state their non-conforming thoughts publicly. Their public statements create followers and those threatened watch closely to see if the conversations build momentum.

If we really want to stir up controversy, maybe we should consider starting "The Virtual Mavericks" broadcast and make it viral. Each week we, the people, could vote on the quality and relativity of a Maverick's thoughts then let the followers grow exponentially. These Social Mavericks would then be enabled to gather more followers and more power to actually create needed changes required to usher in The Relationship Economy.

Could this be a Socialution?

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Chapter 3

Has the Game of Public Relations Changed?



Wikipedia defines Public Relations (PR) as the practice of managing the flow of information between an organization and its publics. PR aims to gain an organization or individual positive exposure to their key stakeholders.

Public relations practices of the past targeted at coercing the public into believing positive messages about a product,

service, individual or business. Managing information has become a game of coercion and manipulation.

Coercion takes place by purposely manipulating either the perceived changes a message can bring to a market or aims at creating actions or reactions from the market's existing mindset. Hence, effective coercion can only be carried out through manipulation of the existing market mindsets by managing the flow of information.

The Web is redefining PR practices; turning old methods upside down and inside out. Since communications have become transparent, the old PR practices actually can work against a business

Loïc Le Meur writes "*PR is no secret science and it is not complicated. Or if it was in the past, it is not anymore. No targets or "marketing pitch" will get you very far anymore.*"

Who cares about stories, you can get traction and users if you have a good product

Do not pick a PR person, be the spokesperson of the company

Participation is NOT marketing

There are no "targets" either, We are just people, not an audience!

Who cares about the launch day and date.

Do not see bloggers and journalists as target either, they will ignore you

Do not measure success and traffic from PR

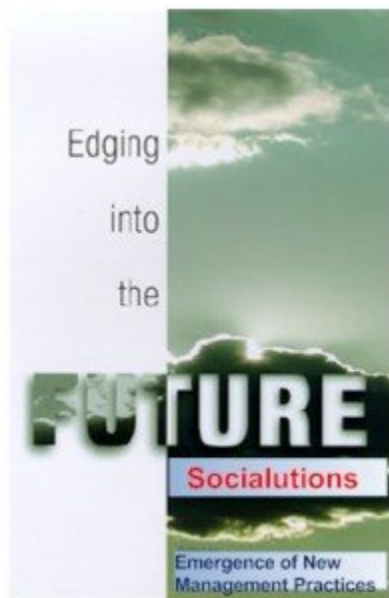
Do Friends Coerce or Manipulate Each Other?

The term “friends” connotes both cooperative and supportive behavior between two or more humans. Friends do not usually manipulate situations; rather they share open and honest communications that spur cooperative and supportive behavior and the flow of good and bad information.

In order for Socialutions for businesses to succeed in a community of friends, it must start with a change in mindset. Actions and behavior must be geared towards human vs. institutional behavior. People do not like to be coerced or manipulated, but would prefer information to be forthright, open and honest.

Changing behavior for businesses or individuals can be difficult. Change comes from learning. True friends learn from each other and grow. Fake friends just pretend to believe each other’s bull. Markets are now conversations amongst true friends.

Socialutions: What Is PR?



Every business has a Public Relations machine. The definition of Public Relations (PR) is the **managing of internal and external communication** of an organization **to create and maintain a positive image.**

Public relations may involve popularizing successes, downplaying failures, announcing changes, and many other activities; but ethical P.R. practitioners will convince companies to work more closely with its various publics and form win-win relationships. The social web presents both significant opportunities and threats to the historical definition and practices of PR.

Given that the web is the “big social copy machine in the sky,” corporate performance and communications with customers and employees have become transparent. This transparency increases the demand on quality in terms of service or product performance levels, as well as promises to keep expected experiences at a very high expectation level. This new dynamic is and will continue to increase the demand for quality management practices required to produce the performance expectations of employees and customers.

What Can Management Do?

Quality gurus created a revolution in past management practices and brought about such terms and practices as TQM, SPC, Six Sigma, Balanced Score Card, Re-engineering, and these words became the corporate mantra of the day. After more than 20 years of indoctrination, the practices and the responsibility for quality performance and all the jargon and practices have been delegated down from the top of the organization to the bottom. Leadership has delegated its responsibility to shareholders, suppliers, employees, customers and markets to others who rarely have the authority to change or improve anything. If profits are not good leadership simply demands, **"Change something or else!"**

Driven by fear and the desire to gain favor and power, management pursues solutions to problems aimed at creating better outcomes. The people are ordered to execute new changes while they, the people, know very well that the change will not work. The culture is not social and thus rarely does the organization understand the truths behind the problems. Therefore, the solutions never really address root causes and create permanent fixes that changes "the peoples" experience to the better. The problems remain even when attempts to change the numbers, create spin control or focus the conversation elsewhere are used as a public relations effort. Public Relations assumed the role of spin control to influence the masses.

Game Over?

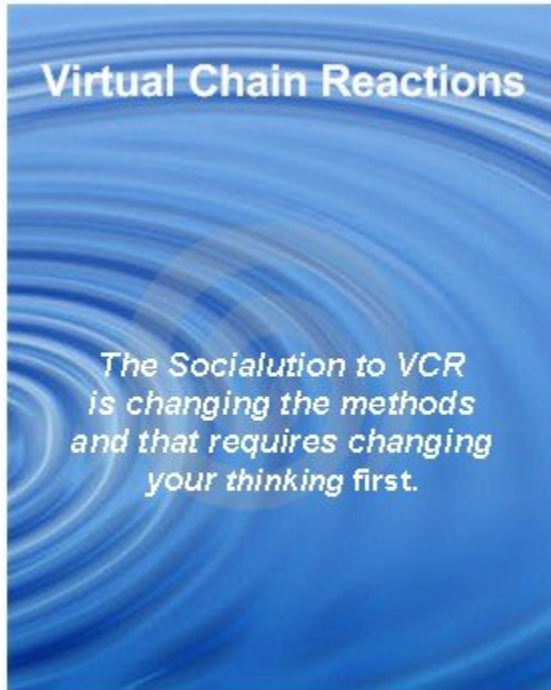
The old game of PR spin is over and there is a new game in town. The new game is called **Socialutions** and it is about adopting a new philosophy about how businesses can not only improve the satisfaction of all the people it serves but rather exceeds "the people" expectations and turns all the people into its PR machine fueling win/win relationships. A win/win relationship starts by listening and ends with needed changes identified by the conversations--open, honest and with no spin.

The alternative is to continue to let "the peoples" leverage their new influence against your inability or unwillingness to change. However, businesses must recognize that the power of the people has been enhanced significantly, and their PR machines are and will continue to be bigger and better than anything you can create by yourself.

Another critical point is that the fundamental change required to succeed with Socialutions is a transformation in thinking by leadership and a change in practices by management, the culture. The people have already changed and are simply waiting for you to change.

What Are Virtual Chain Reactions?

Today whether you are a major brand or just an individual, communicating an opinion has its implications. The "how and what" you communicate can cause a virtual chain reaction. Your communications methods will create results, both good and bad.



Understanding the dynamics and methodologies of Virtual Chain Reactions (VCR) is a critical strategy to adopting Socialutions aimed at improved results. VCR is word of mouth on steroids.

What are Virtual Chain Reactions?

A **Virtual Chain Reaction (VCR)** is a sequence of reactions where a communications product or by-product causes additional reactions to take place. It is a self-amplifying virtual chain of events, which are explained below:

- **The Communications Chain**

- **Reaction:** A message is copied resulting in a larger number of participants consuming information than in the initial chain reaction.
- **Virtual Reactions:** Communications throughout the web create a reaction is itself a virtual reaction, which can cause more reactions that are similar.
- **Virtual Avalanche Process:** Collisions of virtual stories or opinions in numerous communities form "new" stories or opinions to undergo the same process in successive cycles.
- **Market perceptions and impact:** These become the gradual and sometimes immediate outcomes of Virtual Chain Reactions and subject to ongoing influence.

The Virtual Chain Reaction is an emerging dynamic perpetuated by more and more people engaging in social media. As VCR progresses, the dynamics generated serve as templates for replication. This sets in motion a chain reaction in which the VCR dynamics are exponentially amplified. With VCR it is possible to amplify a single or few copies of a story or a piece of information across several orders of magnitude, generating millions or more copies of the original story or opinion.

VCR can be extensively modified to perform a wide array of virtual manipulations. VCR is the new dynamic of influence, and not understanding it can be detrimental to a business and an individual.

What Does VCR Change?

It changes everything! A company with a brand can no longer afford simply sending out a press release announcing a new product, an acquisition or their plans for social initiatives. The wrong message, whether it be in the words used or the visions stated, can and will create a negative VCR and subsequently the brand has lost control of their message to the readers. Losing control of the message means you have no control over the impact. Negative impacts can change your brand equity, customer satisfaction indexes, loyalty, value perceptions and ultimately the share price.

Organizations and individuals alike are being and will continue to be impacted by VCR. The more people, and there is a lot of them, who engage in social computing the greater the force of the implications of VCR becomes. To manage VCR, organizations need to learn how to engage people and their opinions in order to create an intended VCR. Otherwise, the people will create a VCR that may not produce the kind of results an organization desires.

The Socialution to VCR is changing the methods, and that requires changing thinking first.

Do We Really Want Customer Service?



Every business has some type of customer support or service center aimed at serving the needs of the customer. The customer service center model has been driven by two things:

1. Managing common customer issues
2. Managing uncommon customer issues.

The difference between common and uncommon issues is as follows:

1. Common issues: things that create common request for assistance from the customer base
2. Uncommon issues: things that are not common but arise as customer needs on a periodic basis.

As the web becomes more and more transparent, companies are just beginning to pay more attention to "the process of customer support." Case in point:

Marguerite Reardon of CNET writes: *"As cable and phone companies slug it out in markets across the U.S., improving customer care is becoming a core part of their strategies. Now, more than ever, consumers seem to be influenced by their perception of a particular company and their own experience with customer care. What's more, the Internet has changed things. It used to be that a single disgruntled customer would influence only a few friends and neighbors. But with the advent of blogs and forums all over the Web, unhappy consumers can find a much wider audience, potentially reaching thousands or even millions."*

So What Are These Companies Doing to Improve?

Reardon also reports that: *Comcast has hired 15,000 new customer service agents and technicians over the past 18 months to help the company answer calls and provide service to customers. It has also rolled out new high-tech diagnostic tools for agents in the field and at call centers to help better assess problems. Comcast has also started re-dispatching field technicians if it looks like a certain technician may not be able to get to his next appointment.*

Customer service agents are also starting to work on Saturdays and Sundays to schedule and serve customers when it's most convenient for them. And it's offering real time online chat services so that customers can talk live with a customer account executive.

Verizon's Maguire said that his company is doing something similar. Like Comcast, Verizon has a team that monitors blogs. And Maguire himself often answers e-mails from customers with complaints as part of what the company calls a "you touch it, you own it" philosophy.

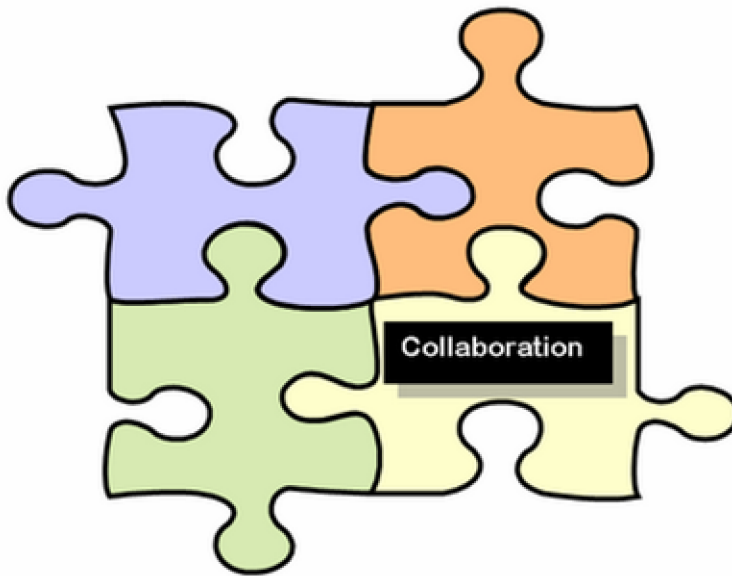
What Could Be An Alternative Socialutions?

Adding people and processes may not be the best solutions. Reducing or eliminating the common problems is likely a less expensive and consumer friendly option. Uncommon problems will always remain and they need human intervention. Common problems simply need to be fixed, and the consumer needs common answers to these problems until they are eliminated.

Leveraging social media to engage with customers is also a much less expensive proposition than adding resources. After all, customers do not want to deal with customer support because historically it has been such an antisocial experience. Not having a product or service work as promised,

means that the customers, the people, have to spend their time and attention trying to get it to work when their common expectations are that it should work to begin with. **All a customer really wants is for things to work right the first time. When they do not, it is considered anti-social and customer service becomes a negative experience.**

Collaborative Socialutions...Where Does Collaboration Fit In?



The social web seems to attract a lot of definitional redefining, whether by adding numbers after a term like Collaboration 2.0, Business 3.0, or Office 4.0, or by combining two previously independent words into one as we have with Socialutions. These attempts at redefining can be useful, but they have

a tendency to confuse.

Collaboration intuitively has a place in Socialutions, but where exactly does it fit?

We previously defined Socialutions as *people, communities and organizations leveraging technology to interact with people for the purpose of solving problems; the act of working together with others to create new solutions to old paradigms of communications and interaction without boundaries and with limitless reach.*

The term "Collaboration" which does appear in Dictionary.com, is defined as *the act or process of working, one with another; cooperating, colluding, joining, assisting, or abetting.*

Collaboration then, fits with Socialutions in the implementation – when we are working together with others to create new solutions, we are collaborating!

Tapscott and Williams, in their book *Wikinomics*, identified four steps to developing a collaborative culture.

- Encourage and reward openness in networking for all members of the organization.
- Create peering environments that foster self-organizing human connections for collaboration and innovation.
- Allow radical sharing to expand markets and create new opportunities.
- Think and act globally as an individual, team and organization.

To achieve **Openness** means ensuring a culture of candor, flexibility, transparency and access. How many of today's workplaces can accurately be described by these words? **Peering** is also important in the establishment of a collaborative culture. Peering succeeds because it leverages self-organization.

As any business model demonstrates, **expanding markets** create new opportunities. These opportunities are beneficial, and often require insight into the local business culture.

Thomas Friedman was right - *The World Is Flat*. The only way that today's companies will be able to maintain a healthy balance sheet tomorrow is if they focus on staying globally competitive. That means they need to devote time to monitoring international developments. They will have to begin (or continue) tapping the global talent pool. They will have to get to know the world.

In *Collaboration 2.0*, Coleman & Levine (2008) identified 10 Principles of Resolutionary (note, they are not saying Revolutionary, though it is) Thinking (p. 176):

1. Abundance
2. Efficiently Creating and Sustaining Collaborations
3. Creativity
4. Fostering Resolution
5. Becoming Open
6. Long-Term Collaboration
7. Honoring Logic, Feelings & Intuition
8. Disclosing Information & Feelings
9. Learning
10. Becoming Response Able

Note that each of these fits with the Socialutions paradigm, in the furtherance of our engagement of *The Relationship Economy*. Each of these contributes to a collaborative culture – even if the principles are implemented in pockets of the organization. Moreover, each of these principles can be learned, as long as the intended result is a positive change in the corporate culture.

In order to implement Socialutions, collaboration is essential. Today's individuals and organizations are ready for a change. The time is right.

Ready, set . . . collaborate!

Collaborating with Co-Workers and Customers: Socialutions As a Management Strategy

Socialutions for management

We are, of course, social creatures, and many marketers understand that. Telecom companies have long encouraged us to connect with our

friends & family_(or Unity), call our network for free, and purchase family plans. Starbucks has built a business around a unique mixture of offline connections accessing online content "together." Many email newsletters have the "forward to a friend feature." A growing number of communities are using a mixed-use design that allows us to work, live and shop in one area.

We are naturally drawn to places where people we know congregate. As social networking sites have demonstrated, we go where our friends are, and we connect to people with whom we have something in common. So is it natural to think that managing an organization would include understanding the relationship dynamics of those who contribute in some way to the bottom line?

Not necessarily.

Many large organizations operate with a directed-association model. Departments are set up in hierarchical fashion, and we learn to work with or for people with whom we may never have come in contact but for our employment. Some enterprising organizations make attempts to capitalize on our personality styles, but how many try to capitalize on our networking styles? Do we examine the "fit" that new members to the team demonstrate in relation to those already established?

Not very often.

Caldwell, et. al., in studies of perceptions of "fit" found that as organizational change becomes the norm, adaptations by individuals is expected, though the ready embrace of change often eludes the observer. The change itself may be the variable, and many organizations are finding that change strategies should include possible reactions to change. So, if people initially deemed "a good fit" for the organization are suddenly experiencing major challenges, was the hiring process faulty?

Tomorrow's employees are engaging in the social space now, and they are bringing this tradition to the workplace. They may adapt to the directed-association model, but they may also rebel. These are not members of the complacent generation(s) that took what they got and kept silent. These are the "kids" who have been asking why and what is in it for them since they could talk. So how do we incorporate them into our management strategies?

A recent example of the technology-enhanced ability to have everyone manage processes was described by Denis Pombriant in his look at **Right90**, which captures and tracks changes to the business forecast (all the things that can and should be forecasted in addition to revenue, so that a company can keep its supply chain informed of coming changes) in real time. With Right90, if a salesperson reports that a customer is doubling an order for 32-inch HDTVs, managers in sales and operations are alerted, and the full implications of the change in the forecast are thoroughly reviewed.

Pombriant observed that this kind of attention to detail gives every relevant person and department a seat at the table, and makes him or her accountable for bringing in the forecasted revenue in the forecasted product lines. Imagine this strategy being implemented in your organization!

Many small businesses have the idea of this kind of collaboration built in to their initial organizational cultures. Have you ever been to a diner where one person tells the other, "I'm going to the freezer, do you need anything?" The ensuing dialog is likely to result in an informal report of the number of a certain product remaining in stock, followed by a quickly calculated mental note by the person who orders these things. As the business grows, however, each position becomes more intense and focused, and it becomes decreasingly natural to see the operation as a system.

And that's where the problem lies.

When all the participants in a system fail to see it as a system, each facet of the operation becomes disjointed. If not integrally connected, additional effort is needed to catch up to unify the thought process on at least a temporary basis, for actions such as logistics, personnel, finance, and the like.

By implementing Socialutions as a management strategy, organizations can capitalize on the relationships and relationship connections of the people

connected to them in some way. This naturally includes the employees and the organization's leadership, and should include customers, clients, vendors, and others served by and serving the organization. These people all represent the company in some way, so why not acknowledge and try to affect the way they represent? As we engage The Relationship Economy, we need to find new ways to leverage technology to interact with people to solve real problems. Only those people, communities, and organizations that use this type of collaborative problem-solving model will emerge successfully. Those who choose to go it alone and use long-antiquated systems and applications will look back and wonder why they made that choice.

If these suggestions look familiar, perhaps you are seeing a similarity to team-building, for which the social web appears to be well suited. Team building in Asia has been part of the culture since long before W. Edwards Deming traveled to Japan to implement Quality (and plan-do-check-act) in the post-war rebuilding effort. Global team building has enjoyed mostly steady growth as organizations expand and a variety of travel opportunities contract. Socialutions as a management strategy requires using a group (team) of people (stakeholders) to be accountable for the process.

What do you think?

Customers Can Get Satisfaction – With Sunshine Socialutions

Meetings for government at all levels are covered by sunshine laws, which require opening to public view and access meetings and records regarding those meetings for public officials and organizations in a variety of scenarios.



We have defined the term Customer Powered Service as service that is shaped by the customer . . . driven from outside the business to inside and designed to make the customer successful, not just to make support staff more efficient.

We suggested that Customer Powered Service should be seen as a return to the mindset of the marketplace . . . the empowering of the customer.

We noted that Customer Powered Service was not just about the customer — it is also about the service!

Get Satisfaction has been promoted recently in the blogworld as a direct connection between people and companies that fosters problem-solving, promotes sharing, and builds up relationships.

That sounds a whole lot like a Socialutions!

Let us take a random look at the 1st and 10th ranked companies on the Fortune 100 - Wal-Mart and ATT.

Wal-Mart on Get Satisfaction had one active topic (seven months old at the time of this post). ATT, on the other hand, had 37 posts on Get Satisfaction, with the newest one three days before this post.

So what does that mean?

Is there a better customer service plan for Wal-Mart on the Internet than there is for ATT? Are more of ATT's customers likely to have Internet access? Perhaps Wal-Mart has better customer service, or maybe their customers do not expect as much as ATT's customers do?

If you want to learn more, check out the Business Week article entitled "Consumer Vigilantes," which looks at creative ways "we the people" are using social media to address the issues. Businesses are spending time and money trying to figure out how to engage customers.

We change the conversation from what has been to what could be.

In the social web, the problem with getting in touch with someone from customer service is inexcusable. There are a variety of ways in which we can contact each other — phone, text message, email, snail mail, fax, and meeting in person. However, once companies cross that Rubicon, then what?

Here is a novel idea . . .

Customer Service can be provided by joint-venturing with the customers, in real time, out in the open.

Imagine a strategy session broadcast live over the Internet where customers could engage (perhaps in chat, initially, monitored and verbally reported by someone present in the meeting). While the face-to-face discussion is under way, a parallel discussion is going on in the chat and the C2M (Customer Communications Monitor) stops the live meeting to draw attention to the chat conversation.

The strategizers are intrigued, so they offer the virtual podium to the customers by way of Skyping them in?

Too far-fetched? Not in The Relationship Economy!

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Chapter 4

Branding in the Virtual World



Businesses will not become social unless there is revenue attached to that action.

Think about it! Businesses historically have produced products or services and distributed them to the market for consumption. Social was not historically in the equation. Revenue and profits are and will continue to be the primary aim of a business. Like it or not, revenue and profits drive businesses and markets. Without revenue and profits there would be no market, no business, and no jobs.

That was the past singular mindset and then people begin to connect, converse and share one-to-one to millions.

Now the influence of conversational rivers is pointed at markets, businesses and their ability to satisfy people. The new market influence is conversations, which either reduce or enhance business revenues and profits. The new market is conversations, which significantly influence revenues.

Need Evidence?

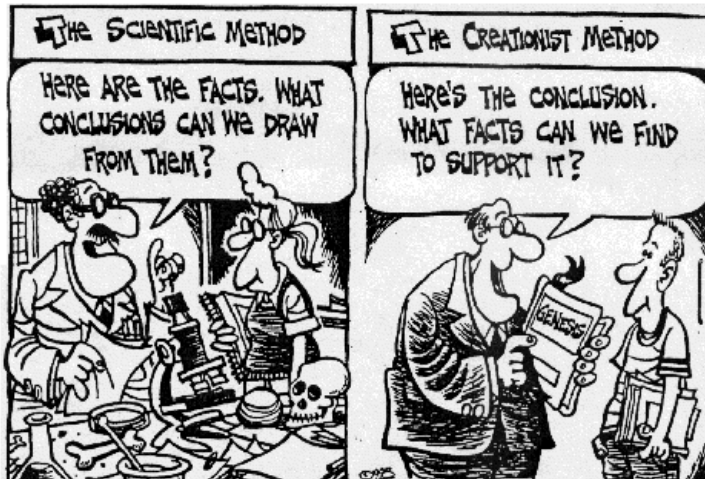
Brands have been flocking to the social web hoping to gain exposure to all of these conversations and just possibly a "click through." Their approach is not very "social" but they assume that they will benefit just being around the conversations.

Now the conversations are turning onto the brands. Who is bad at customer service, who sells hype, which brand performs the best or the worse? Now threads of individual experiences and open commentary on management, leadership and markets emerge.

As participation grows within and throughout the social web, it will continue to impact business revenue and profits. This shift now has business leaders trying to figure out their “social strategies.”

The problem is that past business teachings, environments and cultural constraints have taken away the very social fiber they may have had in the past. **Currently, businesses are approaching social conversations and relationships using anti-social methods. It is no wonder why that approach is not working.**

Are Ads the Only Advertisements?



The primary revenue model for most networks is advertising.

Even with the data suggesting that “click throughs” are down, advertisers continue to flock to social networking sites hoping to catch the attention of users. However, current advertising models will not

sustain networks for long because the method is not very social.

Is It How vs. What?

The historical model of advertising used by agencies and bought into by brands is based on impressions and attention. Brands have bought into this model for decades, and the overriding premise is that it is a numbers game.

The problem with this model is that it is in of itself anti-social in a market looking for more Socialutions. Brands want to sell their products. What, the methods, they use to sell their products is based on old mass-marketing models and methodologies. These methods are running into rejections because people know the game and are not buying it, regardless of how good or entertaining a message is crafted.

We are seeing ads appear with social messages. The problem with these methods is that the experience people have with a brand’s product is more about the quality of care given to buyers than it is about the quality of a message. A brand’s message must match up with the quality of experience people have with a product or the company. Doing things right is sometimes more important than trying to say the right things.

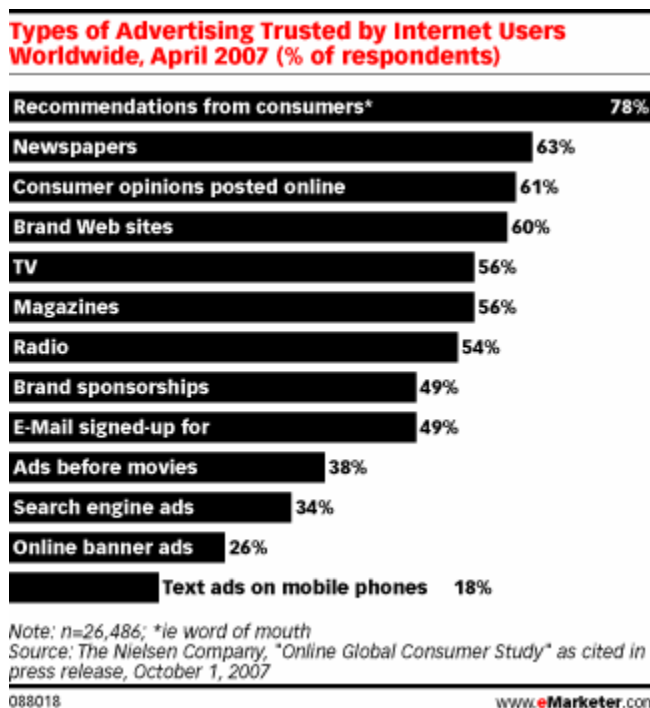
Is A New Method (the How) Required?

Brands spend millions of dollars each year advertising using old methods. When people do respond they often are disappointed with the relational experience they have with the brand's product, people or processes. These negative experiences are now viral communications by and from the very people that the brand's ads targeted. The ads may get people attention but a bad experience turns the attention into a complaint that goes viral at the click of a mouse from one-to-one to millions. The complaint then is "registered" with the world's largest copy machine, the web, for others to reference forever.

Learning how to manage Socialutions internally first may be the best method before pretending to be something externally. If you master the internal, it will become the best advertising campaign you have ever run. Spending your ad money on internal Socialutions will produce a higher ROI and may be the best message you could send to any market.

Will Advertising Methods Shift?

Table 1: Types of Advertising Trusted by Internet Users Worldwide (eMarketer, 2007)



Advertising is a form of communication that typically attempts to persuade potential customers to purchase or to consume more of a particular brand of product or service.

Advertisers have historically used every kind of media to distribute their message as a means of persuasion. Billions are spent every year vying for consumer attention to every kind of product and service imaginable. Advertisers are flocking to the web given the stats suggest that consumers are spending more time on the web than the traditional mediums of television and print

publications.

Will The Web Force a Shift in Advertising Methods?

Think about the current system of advertising. Brands run banners, text ads, videos, etc., throughout the web. Middleware is offered to ad agencies and advertisers promising to increase "click throughs." Bloggers are offered to "earn" commissions for running ads on their blog. Social networks sell ad space to advertisers and individuals alike. Now Google has created a process for individuals and businesses alike to run ads on television. Each new technological advancement promises to match ads with user affinities and preferences, thus aiming at target advertising.

The basic advertising model is a game of statistics. The assumption is that the more people exposed to my ad the greater the response. The likelihood of a response translating into a transaction is another game of statistics. However, the first and second part of the statistical game is an old model with low yields. Yet every brand, every agency and every technology built for advertising is based on these old models.

Is There a Better Socialution for Advertising?

Advertising is part of a system of commerce. Commerce is driven by an exchange of value formalized in a transaction that creates some form of economics. An exchange of value for some other form of value creates economic returns.

Boiled down to fundamentals, any exchange of value starts and ends with interactions between people. People may use technology in the process, but the stimulus and subsequent purchase decision is people oriented.

Today's advertising models are based on a statistical game of impressions. The irony is that people are becoming more sophisticated and less and less impressed by these models and the historical tricks of the trade.

As the Social Era emerges, the fundamentals of advertising will shift from a game of impressions to a process of relational referrals.

Relational referrals come from fixing a problem or satisfying needs known and unknown. Relational referrals have and will continue to scale with enormous influence, one-to-one to millions, and that influence can create or shift entire markets at the click of a mouse.

For business, this means the money being spent on old advertising models needs to shift to solving problems and filling needs. Today's social technologies can enable businesses to fix problems and fill needs if Socialutions are internalized. Advertising could become more effective by simply telling your story or letting the people tell it for you. After all, an exchange starts and ends with people.

How Long Can They Pretend



Tony Laubach, 2008 Brands, are hiring people to lead their "social initiatives." Armed with some perceived power afforded by the new position, these individuals charge forward with initiatives to help the brands become more social and responsive to customers.

They engage in Twitter, get their brands positioned with a blog, gain presence in "communities," and try

to position the brand as "open and willing to change" based on customer feedback and desires. These new "social contacts" for brands may be like a deer staring into the headlights of an oncoming car.

Change Does Not Come from Pretending to be Social

The quality of social interaction is driven by the organizations entire "system" of interactions led by management. The current craze by brands wanting to ride the "social wave" is akin to corporations trying to ride the "quality movement" of the 80's and 90's. Those that used quality as a differential started by changing the thinking that managed the "system" and it permeated from the top down. Those that faked it hired a Quality Guru and made quality their responsibility. The later failed.

*In a panel on "**Business Innovations that are Changing the World,**" Google Chairman and CEO Eric Schmidt said: "Let's not forget that the fundamental goal of any corporation is to change the world and not just to satisfy the interests of particular stakeholders. Companies that open themselves up to promoting and fully leveraging the social dimension of human beings in order to create smarter and more effective solutions for social problems will be the winners of this new social economy."*

Why Pretending is Easy to Detect

A brand may understand all the social tools but knowing "how" to use them to fix their own house is another issue. A garage could be full of tools but that does not mean that the owner can build a house.

Customers know brands based on past experiences. Hiring people to manage a social initiative is not the Socialution. Most organizational cultures have not built "social environments" required for inside changes.

Unless leadership of an organization starts from the inside out, then any social initiative is likely to be labeled as fake and insincere and not a real Socialution. Pretending to be something you are not is antisocial and people can see, hear, and smell it a mile away.

If you continue pretending the situation will only get worse, and the outcomes of antisocial behavior is that people will no longer consider you a friend. With less and less friends to support you who will pay your future bills? **If your actions are consistently antisocial but you consider yourself BIG enough to bully a market, beware.** The market is collectively BIGGER than you ever thought you could be, and markets can shift at the click of a mouse. What happens to the deer that does not move even though a moving car approaches?

An Iceberg for Brands?



Ninety percent of an iceberg is beneath the surface of the water. A similar analogy can be made for users of social networks. One individual may be seen and yet ninety percent of an individual's influence is below the "virtual surface." If one individual has a bad experience with a brand, the impact of sharing that experience with "communities" creates a rippling effect below the surface.

Ripples can build steam and momentum depending on how many others join into the conversational swarm and add to the initial impact of a conversation. The conversational waves only get worse when a brand simply decides not to engage or respond to peoples' issues.

Case in point: A long time supporter of LinkedIn™ who managed the flow of communications reaching over 100,000 people through dozens of forums and groups centric to LinkedIn™ abandoned LinkedIn™--abandoned meaning he deleted his profile on LinkedIn™ and all the groups he had formed on LinkedIn™. Subsequently he made the announcement through all the forums he manages and the groups on LinkedIn™. Four years of effort centric to LinkedIn™ stopped at the click of a mouse, and tens of thousands of individuals were informed and with an explanation as to why. The fundamental reason for his actions was relative to:

1. LinkedIn™ not responding to his own efforts of four years to provide them with a forum for user feedback.
2. LinkedIn™ making policy decisions and changing the rules of their network without consideration or feedback from the users.

3. Fundamentally LinkedIn™ actions or lack of actions implied that the user, the collection of users and their subsequent feedback were not of strategic importance.

The outcomes of his decisions are yet to be known but likely to be felt for some time as the word spreads one-to-one to a million or more. While, he has determined to reinstate his participation, his vocal evangelism is very tempered.

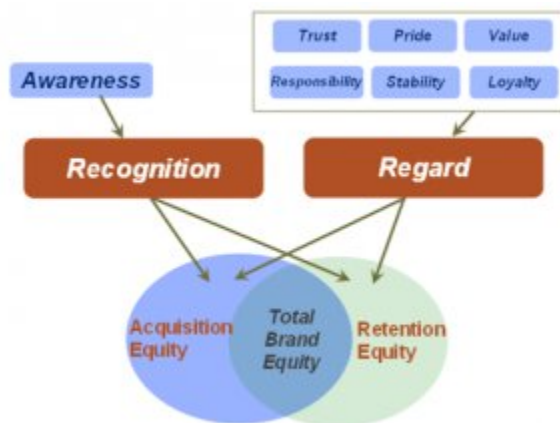
Lessons for Brands

Beware of ignoring your customer. The Titanic failed to see the tip of the iceberg as it forged ahead on its proclaimed historic voyage. The captain and the first class passengers were all giddy with excitement about the ship and their status as the "first passengers." The ship builders were counting their money before the ship reached its destination. Then their world changed because the captain of the ship failed to see the approaching iceberg even though he knew the waters were filled with them and should have prepared and made corrections. The iceberg sank the ship.

The **Socialution** for a brand is to leverage social technology and respond to the customers' feedback. If you are a brand and not good at responding to customers, or if your marketing efforts are filled with false promises, you may hit an iceberg. It may not sink you but it can cause you significant damages. Are you listening?

Who Controls Brand Equity?

Brand equity refers to the marketing effects or outcomes that accrue to a product with its brand name. In addition, at the root of these marketing effects is consumers' knowledge. In other words, consumers' knowledge about a brand makes consumers respond differently to the marketing of the brand. **Who Controls Brand Equity?**



In the Web 1.0 days, brand equity was controlled by one-way communications to the public using multiple mediums of communications. Catchy advertising and slick marketing messages were used to capture consumers' attention to brand offerings. Billions were spent running banner advertisements all over the web, and billions more were spent on TV ads all aimed at

catching our attention and tempting us with value propositions. Whether the

brand experience was good or bad, consumers did not have the means for mass distribution and sharing their experiences with other consumers.

Has Control Shifted?

Michael Emerson, chief marketing officer, Aprimo wrote: In marketing, we are trained to think that brand value comes with complete control and execution, but now we need to understand that our customers also have a say in how our brand is communicated.

Today Web 2.0 enables connected conversations to flow like swelling rivers of influence. These conversational rivers build momentum as consumers communicate both good and bad experiences with brands. Anything and everything about any brand is fair game for consumers eager to express their experiences. Promises of product or service delivery not met or continuous poor customer service can become a swelling river that gains significant momentum at the click of a mouse. **Control over brand equity has clearly shifted.**

What Can Brands Do?

There are five things that all brands will need to do in order to shift the conversational rivers and leverage them into protecting and building brand value. These are:

1. **Recognize that a shift has occurred;** ignoring it will be to your detriment.
2. **Engage in the conversation.** Not engaging means that you do not care what the customer has to say.
3. **Admit your shortcomings.** Denying it will make things worse and everyone already knows.
4. **Fix the obvious and tell the customer** what you are doing to fix it but most of all fix it.
5. **Stop the old and start the new.** Marketing, PR and overall communications need to change. Start by changing your thinking.

Not only have the rules of your game changed, but the customers have created an entirely different game. Not participating in the new game will cost you and your shareholders dearly. By the way, the conversational rivers are reaching your shareholders who are concerned about your brand equity. Are you? If you are concerned, do something that clearly communicates to the people that you not only are listening but that you can hear. There is a difference.

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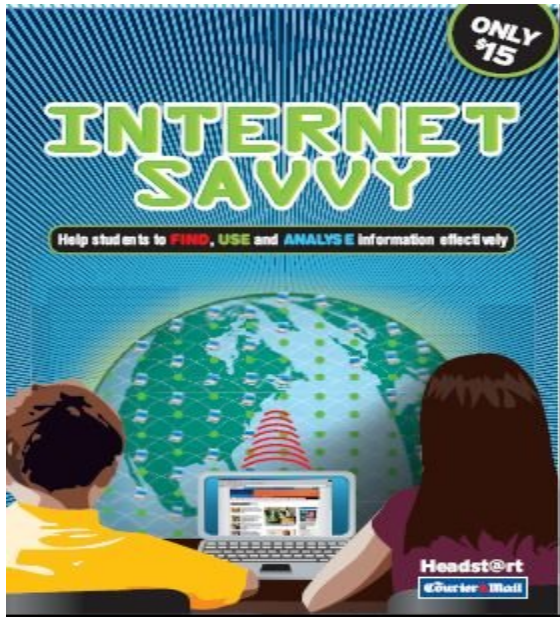
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Chapter 5

How Digital Savvy Are You?



Scarborough Research issued a report on *An analysis of the country's most high-tech consumers: where they live, who they are, what they buy and what they watch/listen to/read*. They found that "The most Digitally Savvy markets typically have the presence of major universities and represent established tech corridors in the U.S... They are early adopters when it comes to fully integrating new technologies into their lives, .their shopping patterns, demographics and lifestyles could presage behaviors of consumers across the country.

*"Active lifestyles and on-the-go living are the hallmarks of the Digital Savvy. They use the internet as a primary source of information and communications. **They are geared towards Web time, which is Now not tomorrow.** They are influenced by peers more than they are brands."*

Are Brands Listening?

Most brands look at data like this and view it as a ripe ground for marketing and reach. While true, the primary issue is "**how to market and reach**" audiences like these.

The methods of the past are not the right methods of the future, or even today. The "how to" answer is totally different than the "how to" solutions of the past. Marketing and public relations have shifted to conversational methods. A good conversation is open, honest and any attempt to spin will be quickly detected.

Marketing and public relations methods must now learn how to present Socialutions that increase the value of relationships by solving people's problems or presenting them with new solutions. A product or services value has always been and always will be "what can it do for me."

If you have a conversation and promise to do something, then your fulfillment of that promise needs to deliver beyond the expectations set by your marketing. Otherwise, the people are likely to share their disappointed experience with others, one-to-one to millions.

The Socialutions answers for improving relational sales requires a different way of thinking.

Is Trust the Biggest Factor?



Speculations as to what Comcast will or will not do with Plaxo are fluid through the social web.

Some opinion leaders are saying that Comcast in of itself has a bad image throughout the social web in part because of their customer service problems and their image of trying to control internet users.

Many mainstream bloggers feel the same about Plaxo, calling it a "big spam machine" and calling its "Pulse" offering abysmal. When the announcement was made about Comcast acquiring Plaxo, the blog spin turned negative and the conversations took over. Comcast is already suffering relations in the "open social" world of the net. What appears as yet more fuel to Comcast current fires could actually be the calm before a bigger storm brewing on the fringes of convergence.

Putting the Pieces Together

Comcast has more than 25 million subscribers to either cable, internet or voice services. Plaxo claims to have 40 million individual profiles. The speculation, reinforced by Comcast press release, is that Comcast wants to provide video channels from the social web to the television and launch a new interactive cable box which will make "social networks" accessible via cable TV.

A Comcast Capital announcement says, "GridNetworks, a peer-to-peer television distribution company, has revealed that it has taken investment from Comcast Interactive Capital. The funding was part of a previously announced \$9.5 million Series A round whose participants have trickled out over time and include Cisco Systems."

Comcast is also investing heavily in WIMAX initiatives riding the wave of wireless access through multiple devices.

Comcast Capital's recent investments and the acquisition of Plaxo suggest a peak into the big picture of intent. The playbook appears to be centric to convergence of media, access, content creation and user interaction across multiple channels of distribution. This is a bold move and one that would seem sound; however, the challenges of winning the people over are many.

The Socialutions Side of the Equation

According to a Forrester Research project, *"Customers would rather deal with credit card companies and cell phone operators than their video providers, based on customer experience rankings compiled by Forrester Research Inc."*

"The best ranked video provider, DirecTV Inc., earned a mediocre "okay" in service from customers. On the Forrester-created scale, the direct-broadcast satellite leader scored an overall consumer experience index of 69 out of a possible 100. The ranking is based on consumer scores for categories including usefulness, ease of use and enjoyableness."

"The highest ranked cable provider, Cox Communications Inc., also was rated just okay by consumers, with a score of 63%. Of the seven cable and satellite companies ranked by name, two earned scores that ranked them "very poor" — Cablevision/Interactive Optimum and Charter Communications Inc. For their parts, Time Warner Cable and Comcast Corp. were ranked "poor" in the analysis."

The biggest challenge for Comcast lies in the relationship it has with the markets, the users and their related experiences. While their apparent strategy seems very sound, the ultimate judge is and will continue to be from the end users.

The current attitudes within the social sphere are suspicion, and concerns about privacy, security, intent and control are spreading faster than the positive possibilities of the apparent strategy. As with many other brands jumping into the emerging relationship economy, the trust factor between the people and the corporations appears to be critical cap.

The Socialution to bridging that gap will require new methods and new thinking centric to building community relations that instill trust.

Cabling Together: Is That Comcastic?



Whenever technology advances to the point of usefulness, it is usually because someone found a great fit between two or more previously independent offerings. In

techspeak, this has been referred to as a Mashup (adapted from the music industry).

Welcome the latest Mashup — between Internet delivery, Telecommunications, Television, Videos, and the social web at the minimum.

After the acquisition of Plaxo by Comcast, the next Mashup announcement will be that Open Social (Plaxo is *in*) will be incorporated into next-generation set-top boxes . . . and we will be surfing the social web (again — remember WebTV, it looks to be a Microsoft product now) with a remote (and that's only the beginning).



Imagine yourself in the couch potato position with your remote, and in the corner of your wide screen you get a transparent pop up message from one of your Plaxo contacts wishing you happy birthday. You respond with a thank you, and he notes that you recently posted your status indicating you were en route to a celebration dinner.



He confirms the open invite, and while you are on the way, you get a text message on your mobile that indicates the room you had reserved has been upgraded due to an additional twelve guests (pending your approval). You confirm, and hit the *record video* button on the dash of your car (which could be a Ford, using Microsoft Sync and a Live Mesh application) and record a video greeting that your guests see as they arrive.

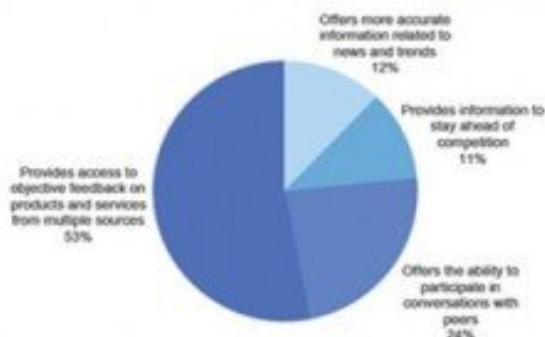
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Who would have expected that The Emergence of The Relationship Economy would be this imminent?

Should Companies Play Catchball?

Socialutions Catchball: Everyone Wins



As more and more brands launch their own set of "social initiatives," a critical failure is not involving people in the verification of

whether their plans are really “**social**” or not.

Today people can see through the marketing spin and hype of messages quickly. The web is filled with opinions about everything, everybody, every brand and every move a company makes.

Case in point: Comcast announced the acquisition of Plaxo, and within hours there were hundreds of bloggers commenting on the move and their post went viral, one-to-one to millions. The initial blogger responses, in the aggregate, were negative about the Comcast move. Then more and more people expressed their opinions, and it appeared as though the negative spin caught on like wild fire. The bloggers with the most readers and the most respect seemed to “infect” the minds of many quickly and, rather than enabling objective dialog, entire communities, and the Comcast brand became subject to the negative infection.

When Will Companies Learn?

In modern management practices, there is a term and process called Catchball which originated from a planning process known as Hoshin Kanari. Catchball is defined as:

“a communication process in which parties engage in a series of information exchanges about the means for achieving a particular objective. The purpose for the exchange is to build consensus around the best approach for achieving an objective. Catchball is based on the belief that the best approach will evolve from the back and forth exchange of information between the person who is responsible for achieving the objective and the persons who will be most influential in achieving it. The secondary benefit from using catchball is a higher degree of commitment to achieve the objective.”

Now think of the social web as nothing more than a huge medium that enables the “catchball” process with entire markets, customers, suppliers and employees. If Comcast, or any other brand, were to take advantage of the medium they would learn more from the opinion leaders and their markets in a few hours and would avoid being caught in the negative spin. Additionally, people give their opinions freely, and those with loud voices of influences have gained their position because of their perspectives, understandings and thought leadership relative to the dynamics of the social web or what we have labeled as Socialutions.

The benefits to applying a “catchball mentality” is that by engaging community leaders and influencers in the process of strategizing “social initiatives,” you begin to develop a learning organization and your brand benefits from the ideas and opinions of the community of influencers. Organizational learning allows a company to adapt to market changes and trends and grow in the process, and in some cases helps reduce the risk of

negative spin. Without the ability to learn and to be social as an organization, it lends itself to being criticized by the very communities of people it intends to serve.

How Could It Be Done and Protect Confidential Information?

We are not talking about telling the world you are about to acquire something and asking for their opinion. Rather, we are simply talking about the exchange of ideas on how a brand can improve its position by applying Socialutions.

However, let us just consider the recent Comcast announcement about acquiring Plaxo. Comcast could have invited and paid five of the top influencers and opinion leaders within the social web into a "Socialutions Advisory Council." Without mentioning Plaxo Comcast could ask the proposed Advisory Council what their opinions were about Comcast buying or creating and using social applications. From this exchange, Comcast would have quickly learned of the pitfalls and opinions from the influencers before they made the acquisition. Additionally, the council could be under an NDA and shortly before acquiring Plaxo the council could be used as a "catchball" of feedback. This would have helped Comcast craft the appropriate messages that would help level set its vision with the active participants within the social web.

Much more could be accomplished using "catchball" strategies but this simply reinforces the scope of Socialutions possibilities.

Will Video Create the Next Shift?



Mediapost Research Brief reports: *According to data from the comScore Video Metrix service, U.S. Internet users viewed 11.5 billion online videos during March, 2008, representing a 13-percent gain versus February and a 64-percent gain versus March 2007.*

In March, Google Sites ranked as the top U.S. video property with more than 4.3 billion videos viewed (38 percent share of all videos), gaining 2.6 share points versus the previous month. YouTube.com accounted for 98 percent of all

videos viewed at Google Sites. Fox Interactive Media ranked second with 477 million videos, followed by Yahoo! Sites and Viacom Digital.

Other notable findings from the March survey include:

- 73.7 percent of the total U.S. Internet audience viewed online video.
- 84.8 million viewers watched 4.3 billion videos on YouTube.com (50.4 videos per viewer).
- 47.7 million viewers watched 400 million videos on MySpace.com (8.4 videos per viewer).
- The average online video duration was 2.8 minutes.
- The average online video viewer watched 235 minutes of video.

What Draws People to Video?

While online social computing has grown significantly, the initial means has been focused on textual communications, including blogs, chat, forums profiles, etc. Human interaction has multiple elements that enrich the communications process. Reading and writing is one composite aspect of social interaction while watching, listening and interacting takes the social dynamic to the next level. Virtual becomes reality when people can experience the emotions, attitudes and emphasis on words and view a person "in motion" so to speak.

Social broadcasting, whether it be branded programs or self produced programming, will likely continue to grow at accelerated rates with the advancement of user friendly video broadcast social applications. One such application we have examined, mentioned earlier, and are using is GoYoDeo <http://www.goyodeo.com>. The application currently enables users to produce video content and virtually distribute it through social networks or directly to their "friends list" without being tethered to any particular web site. The application also promises to integrate social contacts, blogs, micro-blogging, search, ratings and the host of all social applications into an all in one interface.

We have witnessed video blogging, the popularity of YouTube and other video aggregation sites; however, the next shift for virtual social broadcasting could likely produce yet another surge in user-generated broadcasts about anything, everything and everyone. The disruptive nature of such likely trends goes against the traditional broadcast medium of television already experiencing significant viewer migration to the net.

A Virtual Broadcast Network?



The Television has been a widely used telecommunication medium for broadcasting. The word television is derived from mixed Latin and Greek roots, meaning "far sight": Greek *tele*, far, and Latin *vision*, sight (from *video*, *vis-* to see, or to view in the first person).

Commercially available since the late 1930s, the television set has become a common household communications device in homes and institutions, particularly as a source of entertainment and news. From the 1930's through the 1990's Television was the primary source for people to receive broadcast. Then a shift began to take place.

Where have all the viewers gone?

Ellen Gray writes in the **Philadelphia Daily News**: *"I wouldn't want to be a TV executive this week, as broadcasters meet with advertisers in New York to talk about the fall season, make the case that network television's still the place to put their ads and try to explain, yet again, where all those missing viewers have gone."*

Primetime TV viewing on the Web has gained considerably in the past year, according to a Solutions Research Group Survey. Based on the survey, 80 million Americans watched a TV show online last year. This number accounts for 43% of the online population, up from 25% who said they watched a TV show on the Web last year. Additionally, 20% of respondents said they watch TV on the Web on a weekly basis.

Are We Witnessing an Era of The Virtual Broadcast Network?

Enabled by advancing social technologies, people of all ages are discovering "broadcasting" as the new medium of self-expression in a virtual world of consumers following other consumers. YouTube was the beginning of user-generated broadcasting. Integrated into social networks, video is quickly becoming the new median of self-expression, and most analysts agreed that it is the next wave of social computing. Convergence of new technologies is making user-generated broadcast easy, viral, line and on demand and most of all "free."

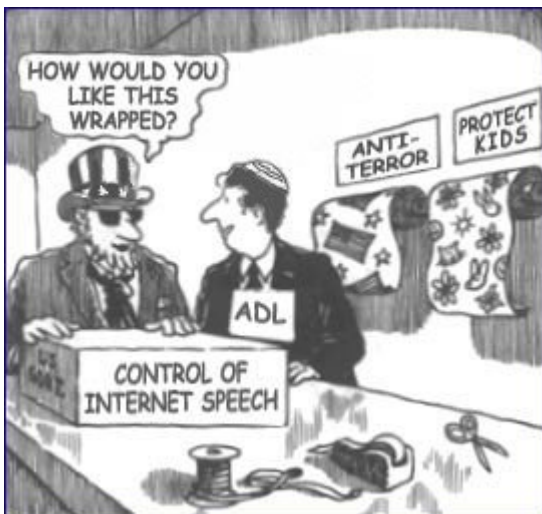
Enter the Virtual Broadcasting Network

Armed with advancing technologies, individuals and businesses alike can now produce their own broadcasting network with multiple channels that can be distributed virtually and not tethered to any particular web site or browser. Marshall Kirkpatrick writes in ReadWriteWeb: **Next Gen Apps Won't Be Pushed Around By the Browser**, *From taking control of the browser to connecting to the web outside of it, there are a number of new strategies being implemented by startups these days.*

We recently referenced the new application GoYoDeo (<http://www.goyodeo.com>) produced by The Floating Web Company. GoYoDeo enables users to generate broadcast on the fly, organize them in channels and distribute them through any social network or embed them into blogs or web pages. GoYoDeo has plans to launch additional features including the integration of blogs, social connections, micro-blogging, RSS feeds, search and a host of other features all into one application that floats throughout the web.

People are experimenting with the application and have found it user friendly and lots of fun. The market movements, user data and overall appetite for user-generated news and entertainment via broadcasting points clearly to the emergence of a Virtual Broadcast Network or VBN of which GoYoDeo may provide the entry points.

Is a Socialutions Battle Brewing?



A Mediapost article states: *Microsoft and Yahoo are back at the negotiating table, according to a statement issued by Microsoft on Sunday. Microsoft began courting Yahoo Feb. 1 and withdrew its \$47.5 billion takeover bid for Yahoo on May 3 after talks stalled over price issues.*"

"In light of developments since the withdrawal of the Microsoft proposal to acquire Yahoo Inc., Microsoft announced that it is continuing to explore and pursue its alternatives to improve and expand its online services and advertising business," the statement reads, most likely referring to Yahoo stockholder Carl Icahn's bid to replace the Yahoo board. Icahn, a billionaire investor activist, recently started a bid to oust Yahoo's 10-member board, which he accused of acting

irrationally by opposing a merger. He proposed a slate of replacements to be voted on at Yahoo's annual shareholder meeting on July 3."

A Battle for Control?

Robert Scoble writes: " Let's say Microsoft gets Yahoo's search. That doesn't look that brilliant. After all, we know Google is gaining share there and taking Yahoo's best advertisers (and let's just forget Microsoft's efforts, which have been an utter failure so far)."

"But these two moves would change everything and totally explain why Facebook is working overtime to keep Google from importing anything. First, let's look at what is at stake here:"

"Loic Le Meur did a little test with me a couple of weeks ago. He listed his Le Web conference on both Facebook and Upcoming.org. Here's the Facebook listing. Here's the Upcoming.org one."

"The Facebook one can't be seen if you don't have a Facebook account. It's NOT open to the public Web. Google's spiders CAN NOT REACH IT."

"He put both listings up at exactly the same time and did no invites, nothing. Just let people find these listings on their own."

"The Facebook one is NOT available to the Web. It has 467 people who've accepted it. The Upcoming.org one IS available to Google and the Web. It has 101 people on it."

"This is a fight for the Web. We all just crawled inside a box that locks Google out."

"Now Microsoft/Yahoo search will have access to HUGE SWATHS of Internet info that Google will NOT have access to." "It's Facebook and Microsoft vs. the open public Web."

Big Moves Continue Elsewhere

Comcast Capital's recent investments and the acquisition of Plaxo suggest a peak into the big picture of intent. The playbook appears to be centric to convergence of media, access, content creation and user interaction across multiple channels of distribution. A bold move and one that would seem sound, but the challenges of winning the people over are many.

How will Users Respond?

Scoble writes: "*Can the open public Web fight back? Yes. It's called FriendFeed. Notice that FriendFeed replaces almost all of Facebook's killer features with open ones that are open to Google's search.*"

These collective issues point to the clash of intents from both the media and technology side, which is a battle for control. Never before have the people had the power of communications and access, but the power is a threat to those who control it for economic gain.

We are witnessing an epic battle of historical proportion, and the momentum of the people and the unity of purpose will be the force to respond to the opposing attempts for control. Possibly, there is a Socialution that calms the battle and enables everyone to win.

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Chapter 6

What Are the Five Social Media Business Factors?

Socialutions Enablement Tools



Social networking technologies develop a momentum of their own. Momentum creates motion, but without direction, individuals and organizations can end up spinning in circles. The effect of this momentum eventually brings individuals and businesses to a point of needing to define and evaluate the value of

participation.

Given that social networks and social media are new phenomena, there is a need to define evaluation criteria from which effective measures and critical thinking can be applied. Our assessment of the issues needing careful examination and subsequent planning led us to five factors for consideration. These include:

1. Enablement
2. Empowerment
3. Engagement
4. Enrichment
5. Enslavement

While the phenomena of social networking technologies appeals to the basic human and business needs without knowing "how" to properly maximize factors 1 through 4, it can become a detriment by enslaving people and businesses into non-productive and possibly damaging activities.

The Hidden Game Appeal

Many adults are intrigued by the phenomena of social networking and will spend countless hours engaged in the game. It is a game when you consider what operators know and users do not.

Operators understand the appeal of new technology when it is designed around "basic human and business needs for relationships, significance and

wanting not to be left out of the “latest and greatest.” Knowing this, operators launch new technology aimed at targeted consumer and business interest, new features to intrigue the masses, new functions that promise new efficiencies and network growth that promotes being able to reach more people, more markets.

The masses follow the appeal, and the cycle of intrigue is designed to keep the masses engaged. Network operators are motivated to establish technological relationships with their customer aiming at drawing in the masses so the networks economic value increases. The economic value of the network is aimed at satisfying the shareholder, not the users. Networks leave the creation of individual or business value to the imagination of the users.

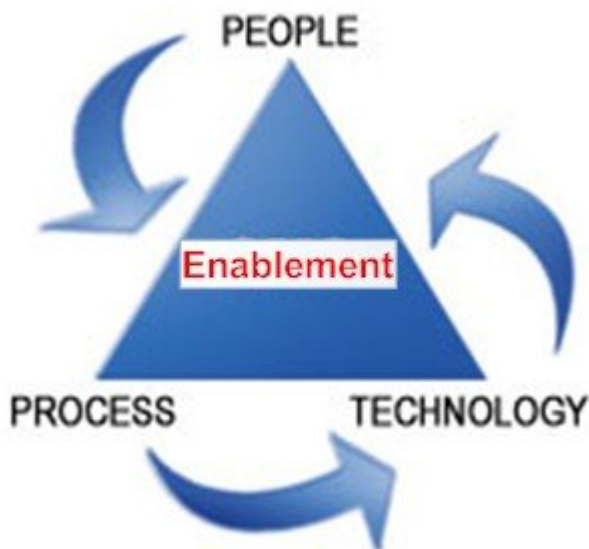
Technology can become a detriment to our time, our relations and our economic standing if we are not investing mindfully with a view to a financially viable outcome. Technology can also become an enabler of opportunities to leverage the medium for our own individual or professional gains. Our gains must be definable and useful to our individual or professional purposes.

A purpose driven model is designed around defining the value gained by leveraging the intersection of human behavior and social technologies.

The five factors needing consideration come in many different forms, but the basic tenant of possible outcomes remains consistent for individuals and businesses alike.

The Relationship Economy is about leveraging technological advances that enable, empower, engage and enrich personal and professional interacting processes aimed at a purpose.

What Are the Enabling Factors?



Enablement can refer to any approach, which provides means or opportunity. Means refers to unique methods that empower people and businesses to pursue and capture unique opportunities.

Unique methods are new processes that differ from traditional methods. In fact, unique methods may be the total opposite of traditional

methods and therein lies the power of enablement.

When people use the word “enablement,” it typically implies a new approach to accomplishing something or solving an existing problem. Technology enables people and businesses to create new methods or processes aimed at solving old problems or creating brand new value opportunities.

People are just beginning to learn the power of the social web and how to use it to solve problems or create new value. The learning process enables people and businesses to see things anew and subsequently enables them with means and opportunity.

For businesses, the social web provides a new paradigm of enablement. Customers, suppliers and employees as well as entire markets are enabled to speak without barriers and share without constraints. Enabled by the power of open and honest conversations, people are learning to create a voice, which is just beginning to get the market’s attention. People are beginning to recognize the opportunities to participate in making existing markets better or the creation of brand new markets when old markets do not respond.

What Is The Approach That Enables?

People enabled to accomplish more and pursue creative opportunities gain significant satisfaction from their efforts. In business, internal and external interactions between people set the tone for outcomes. Whether it is marketing, sales, customer support, production or recruitment, without the people the processes simply will not work. Enablement comes at the intersection of technology and human behavior. The intersection itself re-engineers everything, but to comprehend the outcomes one must first re-engineer their thinking.

If you want employees, customers and suppliers satisfied more than ever before, enable them. You ask how? Enablement is not technology by itself. Rather, it allows people to think what can be done with technology. When you combined human behavior with social technology, you expand the creative forces of human desire for opportunity and you enable people with the means to capture opportunities.

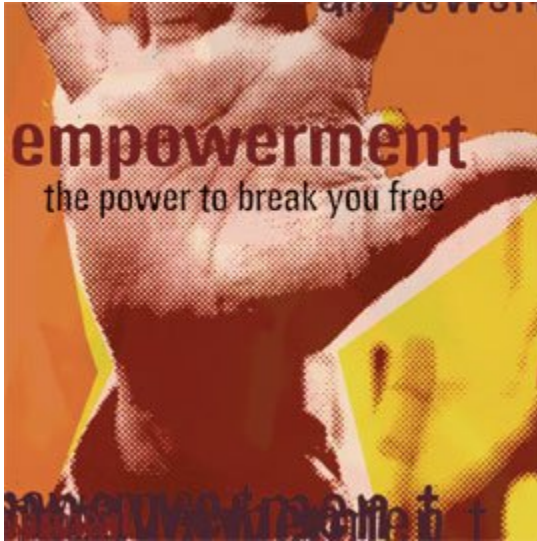
Technology in and of itself is no longer a proprietary competitive advantage. What you do with it creates the advantages. The mindset of business leaders must change in order for enablement to work. Letting go of the control and command paradigm and embracing open and honest conversations is the first and hardest step.

This is a major paradigm shift for traditional thinking and a significant power shift. Not enabling people to solve problems or create new opportunities is detrimental to business growth and satisfied people. Businesses cannot

effectively grow with unsatisfied employees, customers and suppliers. It is that simple yet so very complex.

Do you really want enablement to work for you? Socialutions change will be required from the top first. The bottom is already prepared and able to change.

What Are the Empowerment Factors?



Empowerment refers to increasing the spiritual, political, social or economic strength of individuals and communities. It often involves the empowered developing confidence in their own capacities.

Sociological empowerment often addresses members of groups that social discrimination processes have excluded from decision-making processes through - for example - discrimination based on disability, race, ethnicity, religion, or gender or position. Empowerment as a

methodology is often associated with enabling people, communities and organizations to reach their full capacity.

As we watch the “**social era**” emerge, we are witnessing people feeling empowered to converse, connect and collaborate on anything and everything on a global scale. The conversations are boundless and flow like swelling rivers of interest, strength and confidence.

Is The Web The Enabling Tool of Empowerment?

Today’s web is rich with functions and features able to reach millions, one-to-one at a time. Every week new advances, new communities and new tools enable human expression like never before in the history of humanity. The enablement features of today’s web include:

1. Mass Communications
2. Connectivity with people and communities of common affinities
3. Broadcasting tools for the creation and distribution of user-generated media
4. Freedom to express an opinion or share an experience about anything, anyone and everything

5. Conversational rivers that spread at the click of a mouse from one-to-one to millions

People are feeling empowered to speak out for and against anything and everything. Insulated from having to “speak alone,” people connect with common experiences about life, business and brands. Feeling free, these communications and related media are creating markets of their own. These new markets of conversations are and will continue to influence traditional markets. No one can hide from the impact of empowered conversations.

How Can Business Gain from all this Empowerment?

Traditionally, businesses have talked a lot about empowering people to serve customers, each other and markets targeted by the business. However, business cultures have inherent barriers to empowerment. Power, politics and favoritism has yet to “leave the building” so to speak. Management enjoys power and human weakness, and may use power and politics for selfish gains rather than holistic gains” for all involved in the business, i.e., the people.

People have been constrained from freely expressing opinions or positions within organizations for decades. Human behavior has learned to adapt to the environments of institutional corporate speak while the very fiber of human nature wants to shout out issues, opinions and principals.

Now the curtain has been pulled back and the conversational web has empowered people to do what they have always wanted to do, express freely. Fundamentally, businesses now must choose one or more of the following options due to the newly enabled empowerment of the web. These options include:

1. Ignore it and prepare for the repercussions
2. Try and control it and not be surprised to learn it can't
3. Ban it and then find it influencing your external market
4. Embrace it and learn how to enable and empower your business to gain more than ever before

Which is the most logical and social choice of preference? Actions or lack of actions will demonstrate the decision. More importantly, words and related actions will show whether an individual really believes in empowerment.

What Are the Engagement Factors?



The social web promotes and enhances engagement processes aimed at relationships. Four elements define engagement factors in The Relationship Economy. The four factors are tightly interconnected processes that determine the outcomes of an organization's total "engagement efforts."

The Socialutions for any organization are fundamentally tied to these four elements. The four elements are:

1. Customer Engagement
2. Employee Engagement
3. Brand Engagement
4. Engagement Marketing

Customer Engagement (CE) refers to the engagement of customers with one another, with a company or with a brand. The initiative for engagement can be either consumer-led or company-led and the medium of engagement can be online or offline.

Customer Engagement marketing places conversions into a longer term, more strategic context and is premised on the understanding that a simple focus on maximizing conversions can, in some circumstances, decrease the likelihood of repeat conversions. CE aims at long-term engagement, encouraging customer loyalty and advocacy through word- of-mouth. In this sense "CE is the best measure of current and future performance" according to the 2006 Annual Online CE Survey.

The concept and practice of online Customer Engagement enables organizations to respond to the fundamental changes in customer behavior that the internet has brought about, as well as to the increasing ineffectiveness of the traditional 'interrupt and repeat', broadcast model of advertising. Due to the fragmentation and specialization of media and audiences, as well as the proliferation of community- and user-generated

content, businesses are increasingly losing the power to dictate the communications agenda.

Employee engagement is a concept that is generally viewed as managing discretionary effort; that is, when employees have choices, they will act in a way that furthers their organization's interests. An engaged employee is a person who is fully involved in, and enthusiastic about, his or her work.

Truly engaged employees are attracted to, and inspired by, their work ("I want to do this"), committed ("I am dedicated to the success of what I am doing"), and fascinated ("I love what I am doing").

Brand Engagement is a term loosely used to describe the process of forming an attachment (emotional and rational) between a person and a brand. It comprises one aspect of brand management. What makes the topic complex is that brand engagement is partly created by institutions and organizations, but is equally created by the perceptions, attitudes, beliefs and behaviors of those with whom these institutions and organizations are communicating or engaging.

Engagement marketing, sometimes called "participation marketing," is a marketing strategy that invites and encourages consumers to participate in the evolution of a brand. Rather than looking at consumers as passive receivers of messages, engagement marketers believe that consumers should be actively involved in the production and co-creation of marketing programs.

These four engagement factors are the vital elements to success in the connected world. Not knowing "how" or understanding the dynamics means you can expect to be replaced at the click of a mouse.

What Are the Enrichment Factors?



When you search the web for the word "enrichment," you get 17,800,000 references. Webster's Dictionary defines enrichment as 1) the act of making fuller or more meaningful or rewarding; 2) a gift that significantly increases the recipient's wealth. Based on the number of references to the word, it appears as though many people are seeking enrichment of many things in their lives.

Does The Web Enable Us to Enrich Our Lives?

How you answer this question is relative to your own perspectives, experiences, and ideas about being enriched. However, when we consider that a significant component of enriching our lives is with and through relationships, then the web provides the opportunity for enrichment. After all, it can be difficult making your life complete and full without the interaction of others.

From the personal side of the enrichment equation, one might believe that connecting with like-minded people is enrichment. It all depends on what you do with the connection. Reading people's media can be enriching because everyone is writing about everything everywhere.

Personal enrichment can come when you figure out the means and the methods to make a little or a lot from your hours of tireless participation.

What About Our Professional Lives?

From a professional standpoint, there are many ways to enrich your professional endeavors, whether as an individual or as an entire organization.

Businesses can use the social web to provide job enrichment. **Job enrichment** is a method that motivates employees by giving them the opportunity to use the range of their abilities. It is an idea that was developed by the American psychologist Frederick Herzberg in the 1950s. An enriched job should ideally contain:

1. Tools that enable employees to be informed, involved and engaged in most all organizational activities
2. Processes that enable employees to serve other employees and customers better, faster and with more value than expected
3. An environment that promotes collaboration, learning and pride of work through a "people oriented" culture
4. Technology aimed at enriching processes and people experiences so that they feel more productive, helpful and respected for their contributions

Has This Been Examined Before?

Frederick Herzberg's studies of job attitudes and their connection with industrial mental health are related to Maslow's theory of motivation. According to Herzberg, people are not content with the satisfaction of lower-order needs at work. Rather, he looks for the gratification of higher-level psychological needs having to do with achievement, recognition, responsibility, advancement, and the nature of the work itself.

Herzberg found that job characteristics related to what a person *does* — that is, to the nature of the work they perform — apparently have the capacity to gratify such needs as achievement, competency, status, personal worth, and self-realization. Dissatisfaction results from unfavorable assessments of such job-related factors as company policies, supervision, technical problems, salary, interpersonal relations on the job, and working conditions.

Thus, if management wishes to increase satisfaction on the job, it should be concerned with the nature of the work itself — the opportunities it presents for gaining status, assuming responsibility, and for achieving self-realization. If, on the other hand, management wishes to reduce dissatisfaction, then it must focus on the job environment— policies, procedures, supervision, and working conditions

Based on these past findings, it would seem obvious that a progressive organization would aggressively pursue Socialutions that benefit both the people and the business. Given all the tools available today, the opportunities for adoption of Socialutions and the proven benefits, one would think that businesses are eager to get going. However, the evidence of understanding is weak.

What Are the Enticement Factors?



Enticement is a word not often used in everyday conversations, yet the process of enticement often is used throughout many conversations. Enticement is employed in marketing, media, and public relations and in daily communications as a means of persuasion, one-to-one to millions.

Persuasion is a form of social influence. It is the process of guiding people toward the adoption of an idea, attitude, or action by rational and symbolic (though not always logical) means. It is strategy of problem-solving relying on "appeals" rather than strength. Persuasion leverages the process of enticement to accomplish an aim.

The word enticement reflects several meanings including:

1. A cognitive factor that tends to have an effect on what you do
2. Qualities that attract by seeming to promise some kind of reward

3. The quality of arousing interest; being attractive or something that attracts
4. The act of influencing by exciting hope or desire

People and businesses use enticement to persuade us to buy something or to agree on a particular position or action. We are surrounded by enticements yet rarely do we reflect on the purpose.

Aristotle said, "***Rhetoric is the art of discovering, in a particular case, the available means of persuasion using related enticements.***"

Should We Consider What the Enticement is All About?

Four factors can both define and achieve a purpose for using social technologies. These are:

1. **The learning factors:** It can be fast and guided or it can be slow and frustrating.
2. **The human factors:** Start with the end in mind. View your business interactions through the eyes and minds of the customer, the employees and your market, the people.
3. **The communications factors:** Tools to expand your reach need to be matched with messages that persuade with truth, not spin.
4. **The value added factors:** Start by using social technologies to fix internal processes first. Make needed improvements that the end customer can see, feel and experience when they interact with your business.

Trying to persuade people through enticements of value that are not real does not work. The old game of marketing focused on getting attention through enticing messages does not keep attention long. When the product or service does not match the enticement of value, the experience is anti-social.

What you ultimately deliver to people needs to be a lot better than your original enticement to engage. Otherwise, you will persuade people to tell others that your enticement is just a tease and not the real thing. That is not the Socialution.

What are the Five Social Business Factors?



Web 2.0 technologies are dissolving the “barriers” between people—whether it is between nations and communities, producers and consumers, or labor and capital. The people are gaining power—in both influence and impact—over anything and everything,

Divisions between cultures, departments, communities, producers and consumers were designed to keep power to the few. **Power is obtained by controlling communications, media and capital.** You control these three elements and the masses are kept in

the dark as to what could be, can be and should be the Socialutions.

Has The Power Shifted?

The Faster Future Blog writes, *“The great disruption of social networks has reached its tipping point. The theory of the impact of the networked world has become real.*

*“More video material has been uploaded to YouTube **in the past six months** than has ever been aired on all major networks combined, according to cultural anthropologist Michael Wesch. **About 88 percent is new and original content, most of which has been created by people formerly known as “the audience.”**”*

When you combine the growth of YouTube content with the growth of blogs, social networks and social media, overall the collective data clearly points to disruptive change. People empowered to communicate about anything and everything create the change. The people have become the media power, and the impacts of this shift are far reaching for the unexpected and uninformed.

For Businesses to Win a Transformation in Thinking Will Be Required

Business leaders can stay in the dark and deny the wave of change approaching, or they can embrace it for the benefit of the people: shareholders, employees, suppliers, customers and entire markets waiting to be served. To serve the people, business leaders will need to adopt,

understand, and embrace five factors that will determine the success of transformation.

The Five Factors (Enrichment, Empowerment, Engagement, Enablement, Enticement) previously discussed are the vocal point of transformation for today's business leaders. These five factors represent the new business paradigm of the networked world.

Power shifts within organizations will have to occur. Reorganization of old structures to accommodate transparency, immediate communications, and accelerated changes from inside out and outside in will be the pre-requisite for changes needed to survive in the emerging relationship economy.

The five factors must become the cultural mission and the overriding organizational principles. Learning what they mean and how they become self evident to the people is the mission of leadership and the responsibility of management.

If you do not believe it, buy it or embrace it, you will be replaced by it. The answers are Socialutions that create powerful changes.

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Chapter 7

An Influence over Capital?



Channels of communication have now become wide-open enabling an individual to become many with a connected voice. Individuals are now becoming the media, and their influence grows daily threatening the historical institutions who are losing control.

The capital, which historically followed the influence of institutional communications and media, will also begin to shift due to the influence of

the individuals. The individuals are creating a new institution founded not only on the freedom of speech but also on the power of speech when united with other individuals, one-to-one to millions. The question remains whether capital will shift as people, markets, and businesses shift.

The Freedom or Power of Speech?

Markets create and influence capital distribution. Capital followed the markets of the past, which were created and influenced by the few, and capital followed the markets.

Markets have been and will always be fueled by conversations.



Historically, media fueled the conversations whether it was print or broadcast via television, radio or the web.

Today the individual is creating the media using web 2.0 technologies to create conversational rivers

Fig. 1.1

via broadcast tools such as blogs, wiki's, self produced video, podcast and distributing their media all over the web, one-to-one to millions.

Social networks have advanced the cause of distribution enabling people to "connect" to other people and distribute media. **The institutions of the past can no longer control communications, media and the subsequent capital that follows.**

Does Capital Follow Market Conversations?

A market is fueled by the consumption of products and services. Mass consumption is, in turn, fueled by the satisfaction of the consumer. Historically, satisfaction indexes were measured over time and published by the media. Now satisfaction is both determined and influenced by the conversational rivers of the web and published by the individuals, one-to-one to millions, for immediate consumption. Consumer satisfaction indexes are being produced in web time, which is now rather than over certain periods of time.

Satisfaction is an influence over markets. Without satisfying a need, both instantly and over time, markets deteriorate and are replaced by new markets. Capital follows those that are able to satisfy markets. New markets are driven by replacing old or creating new methods of communicating and the creation, distribution and influence of media.

Those who wonder how all this social activity can or will create any revenue just might be focusing on the cart before the horse. A horse can pull a cart to a destination. A cart is driven by an individual. An experienced individual in a good cart and a strong horse can win the race. The economic gains are the results of winning the race for satisfaction.

Maybe the race is about the pace in which the divisions between people, markets and capital are coming down. Maybe the prize is left to those who discover new ways to break down old divisions and create new markets that satisfy consumers. Has the definition of satisfaction changed? Is the perception of satisfaction now largely driven by conversations? Market Socialutions are created and satisfied through conversations.

How Good Is the Promise?



Businesses seek competitive advantage. The methods used to gain competitive advantage vary by industry but the fundamental objectives are the same, creating and delivering more value than expected.

Delivering more value than expected is a race driven by creativity, innovation and speed. The race never ends the expectation for value increases with every turn, and the expected speed of delivery is now, not tomorrow.

Not delivering now with more value than expected is a disappointment to people that experience your product, service or work environment. People, whether labeled customers or employees, expect value to be delivered as promised, on time and the experience should match or exceed the

promises.

Three things happen from experiences people have with your company:

1. Not delivering as expected creates a bad experience that will be shared.
2. Delivering as promised creates an expected experience not worthy of sharing.
3. Delivering beyond the expected creates an experience worth sharing.

The next time you are in the break room at work, just listen to the conversations. The next time you are at an industry conference just listen to the conversations. The next time you ask for customer feedback, listen. The next time you log onto the web, go where the conversations are and just listen. What are the experiences being shared?

Conversations about your company, your products and services, your employee's satisfaction and your market's wishes are everywhere and engaging everyone. Is your business engaged? If not, you are disconnected.

How Can You Change The Conversations?

As business leaders begin to recognize the power of the social web, they try different tactics to change the conversations to their advantage. These include:

1. Attempting to change the conversations with public relations campaign
2. Ignoring the conversations expecting them to simply go away
3. Creating new conversations about new promises
4. Engaging in the conversations and learning what needs to change.
Then significantly improving those things better than expected--
immediately

Which tactic is likely to produce the best Socialutions? Just remember that whatever tactic you choose it will create another experience. Determine which of the three things likely to happen from any new experience people have with your company would bring the most value.

There is a new marketplace driven by conversations. Be careful with not only what you do but also how you do it. The people are listening regardless of whether you are or not. What you say or do and do not say or do is considered a promise. Your shareholders expect you to deliver or exceed on your promises!

**Breaking a promise, you lose. Keeping a promise, you draw.
Exceeding promises enables you to win, every time. Allow people the value of winning and you win.**

Does Business Need Innovation?



The Relationship Economy is driven by the production, distribution and use of knowledge between people. The more open a business culture is and the more advanced a business is in adopting Socialutions, the more creativity and innovation flow.

The more people connect, the more information flows when all participants are free to learn

and grow. The more a business leverages social technologies the more enabled the people become to learn creative and innovative ways to serve markets, customers and each other.

The relationship driven economy brings new challenges for business. Markets are becoming transparent and the customer is becoming more vocal. These emerging dynamics are forcing traditional business to adapt and learn Socialutions that satisfy all stakeholders. For some businesses, the learning curve is fast while others are not even remotely aware that the world has and will continue to change.

What Actions Are Needed?

Scott Anthony's article in Harvard Business Review Titled: *Innovation Advice from Procter & Gamble CEO A.G. Lafley*. States, "This morning I did the "Q" part of a 75-minute Q&A session with P&G CEO A.G. Lafley. The discussion was wide ranging, covering everything from the need to re-think marketing and advertising to the benefits of a liberal arts education. At the end of the session, I told the audience that my six takeaways were:

1. In an age of disruption, growth is getting increasingly difficult.
2. Companies need to take the long view. Lafley said he finds it hard to watch CNBC for more than 7 minutes because the focus is so short term.
3. The customer needs to be the center of the innovation equation. When Lafley took over as CEO in 2000, he said he saw too many managers on their cell phones, or buried in spreadsheets, in essence "showing customers their behind."
4. Experimentation is key. Lafley talked about the value of giving customers even crude prototypes to test an idea. He also described how different parts of his organization approach innovation differently, and that is a good thing.
5. Complex organizations need to simplify to innovate successfully. Lafley said he seeks Sesame Street simplicity.
6. The CEO has to be the "Chief External Officer" to manage external pressure and the "Chief Innovation Officer" to push the innovation agenda forward."

We would add a seventh takeaway here, which is the important role of building an innovation portfolio. Lafley said that he expects his business units to have somewhere between 10 to 30 percent of their innovation portfolio focused on disruptive innovation.

Mr. Anthony and Mr. Lafley are pointing to the very precepts of Socialutions. While the talking points are clear, the process of adaptation and transformation are not. The answer to adaptation starts with changing the mindset of Leaders. The transformation process is about leveraging social technology to accelerate exchanges of information, knowledge and solutions between people faster than ever before.

Socialutions is not a thing or a process. Rather, it is a mindset that needs to permeate throughout an entire organization, an entire industry and then to entire markets.

How Fast Can You Get to Free?

The faster a business can get its products or services to a price of “zero,” the more money they are likely to make in The Relationship Economy. This perspective is emerging as the new Socialutions theory driven by the current digital economy.



The digital economy is driven by the dynamics of free technologies that are and will continue to disrupt traditional processes that support or create commerce.

The Socialutions that create the greatest value for a business are the processes centric to maximizing consumer and business value by reducing waste and providing more time and value for free. Social technologies that flatten production, distribution, and communications are the driving forces to “freeing up time” by eliminating historical waste.

Waste surrounds us everywhere and is a by-product of past management models designed around old command and control mindsets. Control is based on an assumption of scarcity of knowledge and trust. Command is an old model based on the psychology of power contained by the few that assumes more power can be gained through command and control.

Is It a Change in Assumptions?

Chris Anderson of Wired Magazine writes: *“It took decades to shake off the assumption that computing was supposed to be rationed for the few, and we’re only now starting to liberate bandwidth and storage from the same poverty of imagination. But a generation raised on the free Web is coming of age, and they will find entirely new ways to embrace waste, transforming the world in the process. Because free is what you want — and free, increasingly, is what you’re going to get.”*

To assume that “free” will not last as a business model is like saying your business does not need customers to survive. The free model introduces a set of new assumptions including:

1. The cost of production will continue to decrease.
2. The cost of distribution will continue to decrease.
3. The cost of communications will continue to decrease.
4. Marketing and Public Relations is a by-product of communications with new rules for creating attention.
5. The cost of labor will go down while the scale of output will go up.

Maximization of resources, technology, knowledge and relationships will be the four primary elements required to make money from "free." By maximizing these four elements, you create new value centric to people's needs and wants. It is this new value created that enables businesses to make money from the free because the free begets the attention to the value, for which people will gladly pay. Not only will they pay for the value, but they will tell everyone how much value they also received from the free.

If you are a skeptic, stand aside and watch other businesses that not only believe it but also are living it to the benefit of their shareholders. Have you checked Google's stock price lately?

Ready, Fire, Aim?



When traditional mindsets buy or use new technology, they often try to make the dynamics of the technology fit with the objectives represented by the urgency of the moment.

The difference in applying social technologies to existing business operations is not necessarily changing what you do, i.e. communicate with stakeholders, create new value propositions etc., **rather it is more about changing how you do things.**

Chris Bailey writes, *"Most organizations will simply try to lay the latest business fad on top of their current operations and culture. Regardless of whether they implement this innovation with the best of intentions or not, they'll soon discover that this course of action will lead to failure with a high probability rate."*

"Let's take social media as a fresh example. Loads of businesses and non-profits are adding social media tools to their everyday work as a way to keep up with progress (or worse, to demonstrate they're "hip" and "edgy"). They're creating corporate blogs, podcasts, and vblogs; engaging in communication channels like Twitter; building collaborative pages via wikis and Facebook. I'm not suggesting that there's anything inherently wrong

with any of these activities, but I do argue that simply adding them to your business operations without understanding will expose your organization as a hipster wannabe and leave you thinking that this social media stuff doesn't work after all."

What Is The Cost of Failure?

The irony of the social media space is that doing the wrong things and doing things wrong is immediately transparent to the world, your customers, your employees and your entire market. Launching any number of social initiatives can be a risky proposition if the intent is not well defined and integrated into the organizations overall strategy, both for the short and long-term.

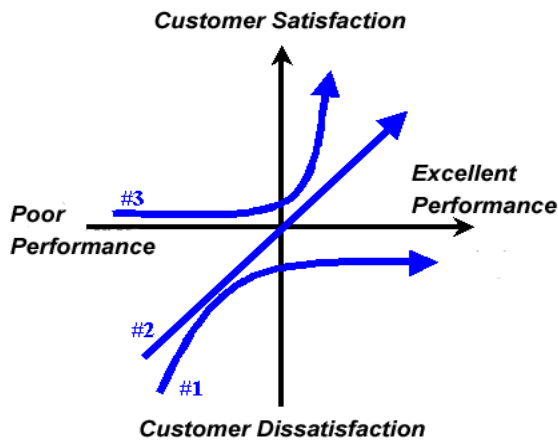
In fact, launching a social media initiative can make a bad situation worse or take a good situation and turn it bad very quickly. Any social media initiative ultimately touches all elements of a business in which people interact, in other words, everything.

While technology plays a role within any social media initiative, it is the least important role. The most important Socialution is "how" any initiative will be perceived as either taking away or adding value to people. For instance, a few examples of pertinent questions would be:

1. Does the initiative help people resolve problems or does it just mask problems?
2. Is the initiative tied directly to improving peoples experience with your business operations?
3. Have all the stakeholders (employees, customers, markets, etc.) been made aware of and understand the purpose of a social media initiative?
4. What are the key metrics of measurement for measuring the impact of any initiative?
5. Are social media initiatives aligned with other initiatives and tactic that aim at a common strategic purpose?

While tactically speaking, much of any social initiative requires a ready, fire, aim. However, the strategic approach needs to be anchored in a more logical ready, aim, fire approach that is systemically tied to the overall objectives of the organization. Otherwise, failure can cost a lot more than the cost of any social media initiative. Word of mouth spreads fast throughout the social web - so do social failures.

Does Revenue Come from Free?



Many people get perplexed as to "how" free can produce revenue. Traditional mindsets view the social web as a "mesh" of communications in which the only revenue model is advertising.

With the old web based advertising models now proving ineffective, the media is quick to suggest that all this "social networking" is coming to a fork in the road. Those who quickly learn and capitalize on turning free into revenue, besides ad revenue,

win and the others lose.

What is Not Free?

With all the free access to social media, social tools and people to connect with, we have become accustomed to "free" and expect it. As soon as a platform tries to institute subscriptions, we reject it because similar functions and features are available elsewhere for free.

Even knowledge is free. There is an abundance of "free" knowledge about anything and everything. Social tools aimed at helping people and organizations find relevant information and new knowledge surround us. With the explosion of advanced "social technologies," **the price of this knowledge is the learning curve that takes time and attention--two things that are scarce for everyone.**

While the access to the knowledge is free, the acquisition of knowledge costs time. The acquisition of *knowledge* means the confident understanding of a subject with the ability to use it for a specific purpose. **The specific purpose being sought by everyone is "how" to turn free into revenue.**

Are The Answers to "How" Free?

Those things that are scarce in the "free" market are those things that represent the greatest value. You can charge for value or earn revenue by enabling others to earn revenue from free.

Google earns in excess of \$4 Billion a year providing free technology that enables others to create revenue. Google's earning come from the power and value of enabling others to generate revenue. Ninety-nine percent of what

Google offers the market is free while one percent of their offerings is aimed at enabling people and organizations to generate revenue.

Just having the knowledge of "how" free works does not mean an individual or organizations knows "how to use the knowledge" for their benefit. The difference between gaining knowledge and using it is the answers to "how."

For business, the Socialutions path to revenue lies in the answers to "how" to use "free." As an example:

1. How to increase customer satisfaction
2. How to create market differential
3. How to lower operating cost
4. How to increase sales
5. How to create new markets
6. How to be "social"
7. Identifying what free value would create the most revenue

The list can continue representing normal questions business leaders usually ask themselves regularly. However, the system of creating value has changed and the path to revenue lies in two new dynamics. The knowledge of "how" is the value that seems to be scarce. The dynamics are "Free and Social," but the business mindsets are locked on revenue and anti-social processes while they pursue the chase for revenue. Time to set your mind "free," learn to be social, and produce revenue from free.

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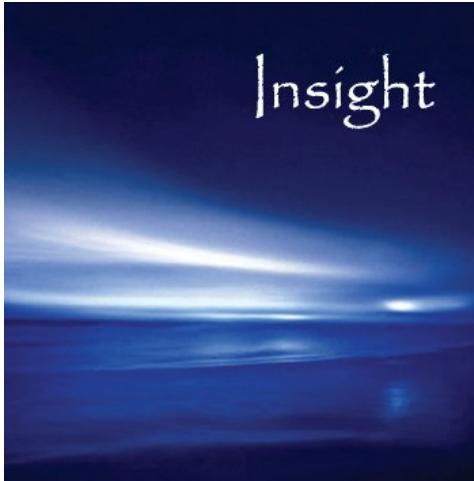
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Chapter 8

Leading Business Socialutions



Every business leader is looking for ways to contain expenses and increase revenue. In addition to these two objectives is a host of ongoing business challenges including:

1. Retaining Key Employees
2. Finding New Talent
3. Keeping Customers Happy and Delighted
4. Product and Service Developments
5. Shareholder and Supplier Relations

Could the Social Web Provide Answers to These Challenges?

The answers to many of these challenges lie within Socialutions--the use of technology and the way people can use it to solve problems and create new value. The opportunities are endless but require new thinking and new methods as a practice of management. A practice that unless embraced could very quickly become the primary cause of business failure.

Just consider how a CEO could easily reduce expenses without cutting people. Using social technologies could dramatically reduce travel cost, meeting cost and marketing cost, yet likely to produce much better results. The Socialutions answers are right before your eyes, but unless you can envision a new method and understand the power it represents, you cannot comprehend that which you are not aware of or understand.

A Simple Illustration

Seth Godin writes: *If oil is \$130 a barrel and if security adds two or three hours to a trip and if people are doing more and more business with those far afield...and if we need to bring together more people from more places when we get together...*

and if the alternatives, like video conferencing or threaded online conversations continue to get better and better, then...

I think the standard for a great meeting or a terrific conference has changed.

Seth's point is that the game has changed, as have the rules of the game. There are numerous Socialutions applications available that provide businesses with significant opportunity for reach, richness, collaboration and marketing methods at substantially lower cost than the traditional methods. Business 3.0 offers business profiles, a virtual exhibit hall, connectivity to customers, suppliers and employees plus a virtual shopping mall. Business 3.0 can be distributed to any social network. GoYoDeo offers the next generation of broadcasting for any business or individual and can be embedded into any social network.

These are just two powerful examples of Socialutions of which business leaders should be taking advantage. In turn, these solutions help leaders deal with the ongoing challenges listed in the beginning of this post.

How Passionate Is Business?



As brands and people flock to the web, the rate of change grows exponentially on a daily basis. From the Big Courting Mergers and Acquisitions to the little creating new applications, new communities and new ideas, the conversations are swelling like rivers.

This collective attraction is creating a passion for the future, the next BIG thing and new ways to connect, collaborate, and converse about anything and everything. The key word here is passion, which has been missing from the workforce and in many cases, our

individual lives.

Does Passion Matter?

Passion is an individual and collective emotion that drives people to accomplish and do great things. Passion defined as (emotion), feeling very strongly about a subject or person, usually referring to feelings of intense desire and attraction.

Max Kalehoff, of Online Spin writes in his article titled "Why Passion Matters:" *"Think of the places in your business where the presence of passion really matters — making you stand out beyond the rest, or sink into mediocrity. It's*

about approaching things with the utmost thought and care, versus doing anything less."

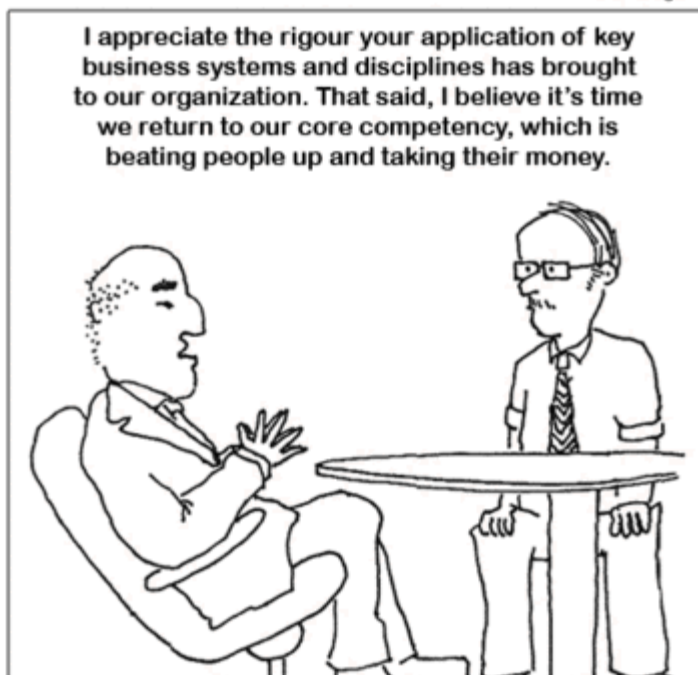
"In my experience, there are a few places in business especially sensitive to passion:"

- **Listening** and understanding your customers and the market.
- **Innovating** based on your market insight and intuition.
- **Building** your product with quality and speed.
- **Ensuring** the highest aesthetic and usability.
- **Refining** your product over and over and over again, until it's better and better and better.
- **Paying** attention to all the details and signals that comprise the experience.
- **Inspiring** your employees, customers, investors and other stakeholders.
- **Engaging** and collaborating with customers.
- **Fixing** things quickly when they go wrong — and then making them far better.
- **Using** your product yourself and recommending it to friends because you truly believe it's the best.

Now imagine a business environment where all the people are ignited with passion at serving the needs of the customer, both internal and external. To accomplish this, the organizations would have to adopt Socialutions as its management methods and start fresh with a new perspective about the business.

A Mesh of Principles?

NOISE TO SIGNAL
Rob Cottingham



A business is in itself a social network of people connecting to create value collectively both internally and then delivering the value externally. If the value creation chain breaks down internally, it affects the value delivery externally.

The people within every business are influenced

by the organization's culture. The culture is a "mesh" of beliefs and behaviors regulated by the organization's leadership. Whether recognized or not, the culture is driven by a set of principles—spoken and unspoken. People learn to work within the constraints of an organization's culture which then create social norms

When you look at the social web, you can see a construct of millions of people socializing. This construct creates numerous behaviors represented by the conflicting principles of different affinities to certain values.

As in the physical world, we see people migrating to groups that reflect common principles. Then these groups, and the individuals, produce media that expresses positions and opinions. Collectively, the principles of the group are reflected by the communications within the media produced.

The same concept applies to an organization. Within every business, there are attributes of a social norm reflected by the value system set by management methods. Not unlike the web, businesses represent a "mesh" of principles reflected by the interactions of the people with each other, with suppliers and with customers.

How Does Conflicting Principles Impact Business?

When a business says one thing and does another, it is establishing its own principles of social norms. When a business fails to satisfy customer expectations, the root cause can be found not only in broken processes but also in social norms reflected by employee behavior.

- *Do we really think employees go to work every day with the intent on delivering poor customer service?* No, poor customer service is a result of "systemic disconnects between the people and the processes."
- *Can the people change a process?* No, only management can institute process changes.
- *Can the people change the social norms?* No, only leadership can change the social norms.

The Socialution for businesses to leverage the advantages of the social web is centric to Leadership principles and management processes. Both of these control and set the social norms of an organization. That is of course if the people believe your product or service truly has value for the customer.

People are designed to serve and willing to do so. People cannot serve when the social norms constrain their ability to do what is a natural human instinct, to serve other people.

How Do You Find the Right People? Recruiting Socialutions!



The economy does not seem to be improving and housing prices are dropping (though interest rates are, too). Common sense would say there would not be too many individuals seeking to trade-in their current jobs for one that you are offering. The position is still vacant, and the Director is getting impatient.

So what is a recruiter to do?

Previously, we discussed fit for work. Perhaps the first thing to do is determine whether you are still a fit with your present position. Surely, you and your employer felt you were when you entered into the employment agreement.

So what has changed?

As we engage The Relationship Economy, we find many opportunities to improve how we

do what we do. We also see many opportunities for innovation. However, can we really innovate when we are working at the same place, doing the same thing for the same people repeatedly? Can we tolerate innovation from people who want to work at our company when we know that the people we refer to are not interested in all that newfangled technology? Perhaps, but in the meantime, why not just innovate with what is out there and not worry about something with a bunch of bells and whistles?

Imagine this.

You are looking for people who do a certain job. Where do they hang out? Go there. Make friends with them now. Do not offer them employment; just make friends with them. Do not hide where you work or what you do, but do everything in your power to avoid selling anyone on anything. You are making friends, not finding applicants! This is not your traditional Socialution, but *how has that been working for you?* Make connections with old friends, meet new friends, and simply talk with all of them to find things in common and build relationships with them. They will find out (they may even ask) what you do. When that happens, tell them - do not sell them.

In addition, for job seekers (Dan Schawbel addresses the idea in more detail, but we have a twist to add to the technology Dan addressed) consider the

virtual resume. Yes, it has bells and whistles, but if that is who you are, would you really be happy working somewhere that did not appreciate your style?

Imagine the cover letter (e-mail) to the employer of your choice . . .

Dear Ms. XYZ

I was excited to learn about the availability of a position with your company that appears to have been designed specifically for me. Here is a link to my e-resume where I can better show you why I got that impression.

Sincerely,
Bob Smith

How Do You Lead Socialutions?



We have been in dialog with numerous Fortune 500 corporations relative to the benefits of leveraging social media. Much of our advice has been centric to ensuring that leadership understands the dynamics of embarking on any social initiative before jumping in.

The common issues we continually encounter are

the comprehension of strategic implications of doing the wrong things and doing things wrong. Many brands consider social initiatives as a tactical initiative to improve relations and enhance brand equity. While fundamentally true, the missing link is not considering the adoption of social tools as a means to transform operations, culture and customer interfaces. The other misunderstanding is the value to internal resources learning how to use the tools to transform the culture into an ongoing quest for Socialutions for all stakeholders' benefit.

When Does It Become More Than a Tool?

In any business, the employees usually view new initiatives as a flavor of the month cause initiated by management to cut cost. Attitudes and real transformation of culture and engagement from employees only comes when leaders demonstrate real commitment for change. Commitment is demonstrated by being involved in change and allowing employees to engage in related conversations. Socialutions are maximized when leadership makes

the adoption of social computing as a new way of life within and outside the company

A recent **Business Week** story titled Big Blue Embraces Social Media demonstrates how attitudes about social media internally can change. IBM has been encouraging social networking among its employees with in-house versions of Web 2.0 hits such as Facebook and Twitter

Already, social scientists are studying the benefits IBMers are getting from the network. They see that it strengthens what are called "weak ties." These are the people employees might know only casually, some in a different division or down a distant corridor. Getting to know these people, even if it starts out with a Top Five list, widens employees' range of contacts and knowledge within the company.

Employees also use Beehive for self-branding. It's a way to strut their stuff for colleagues and managers at the company—whether it's for a promotion or funding for a pet project.

When do IBMers decide to take the plunge into social networking? Often when their boss takes the lead. Greif says that in recent months a host of top executives at Big Blue have jumped into Beehive, leading many others to do the same.

Leaders lead best by example. People learn best by example. Uniting people aimed at solutions that benefit all stakeholders can only be accomplished through relational examples. Leadership demonstrating a commitment to a common cause and strong belief in a vision of the possibilities is a strong motivation for people to follow, especially if the vision is centric to a Socialution. After all, everything in business has social implications.

Solutions for Business?



Every business has its challenges. The speed of change fueled by the demand of "instant answers and immediate responses" accelerates the need for solutions. The answer to successfully managing challenges remains the same. However, distracted by the urgency of the moment, organizations tend to forget the fundamentals. Instead, they chase instant fixes or new initiatives that do not address the root causes of problems.

So What Are The Fundamentals?

Studies after studies about the top management challenges reveal the following consistent constraints to progress and profitability.

- Over half the respondents feel that leaders did not spend enough time communicating with staff.
- Six out of ten managers felt their bosses failed to demonstrate trust, show respect for their teams or even manage to produce results.
- Six out of ten feel that their managing director or CEO was remote and out of touch.
- Nine out of ten managers (93 percent) claim that it is important for them that their employer be enabled to solve customer problems without any organizational constraint.
- Seventy-seven percent of employees indicate a strong desire to help solve problems but feel that management won't let them.

Many organizations are pursuing technology as an answer. However, far from increasing productivity, technology – particularly the Internet and mobile phones – has a largely detrimental effect on managers' work, with nearly seven out of ten saying they are often snowed under, receiving far too many emails and voicemails.

Are There Socialutions?

Every business is comprised of people and processes. The people work within the processes, and the processes are what enable or constrain people from making progress, improving efficiency, delighting customers and maximizing productivity. The results are measured in profitability, innovation, and progress.

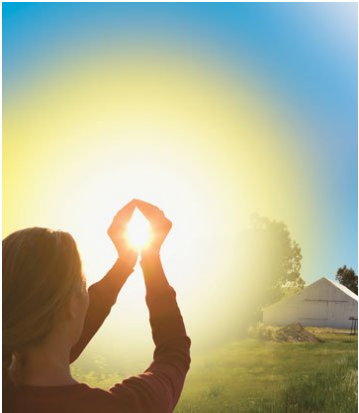
Technology can enable or disable people from optimizing processes, obtaining pride in work and improving overall relations. When technology and cultures restrain progress, they actually make a business environment anti-social.

However, it is not technology in and of itself; rather, it is how technology is used. Social technologies are centric to social opportunities of collaboration, problem solving and enhancing relationships. Social media and related technologies provide the power for any business to harness and aim at breaking down barriers and maximizing communications. Properly planned, implemented and embraced social technologies could provide the means for businesses to reduce complexity, remove the barriers and overcome the challenges. Enable the organization to get closer to the people, suppliers, employees and customers. The result is improved results driven by relationships.

To obtain these benefits, there is one major constraint that must be removed. Leadership of the changes required and management embracing the value of free flowing communications from outside in and from the bottom up must begin. Otherwise, any social media initiative will be viewed by the people as nothing more than an anti-social attempt to appear social.

How Bright Is Future Business?

There is an old saying, "***If you stay in this world you will never learn another one.***"



Learning the dynamics, the art and the science of the new world created by the social web is one of the foremost challenges for businesses. Current business theories are correct in their own world, but the problem is that the theory may not make contact with the new world. For businesses to succeed in the new world, a transformation in leadership thinking will be required.

Back to the Future and the 10 Points for Business Transformation

Imagine if business leaders were able to go forward in time and learn what needs to be changed today in order to create a better future. Most business leaders would jump at the opportunity to be able to see the future in order to manage today's decisions better. The future is about Socialutions, and below are the 10 Points for Business Transformation required to survive and thrive in a new world:

1. Management practices of the past have smothered the individual and tried to contain and manage individual expression. The social web brings back the individual.
2. The social web is not a thing, rather it is a movement accelerated by the art of self-expression, the reach of relationships and fueled by the science of advanced technology.
3. Economic activity takes place within social relations. People create economic gains by what they buy and recommend. For businesses to reach buyers, they need to reach people.
4. If you destroy the people of a company, you do not have much left for the future. People drive all business processes, products and services. People influence customer and supplier relations
5. Fear and lack of trust can make economic growth impossible. Do not fear the social web, embrace it. Distrust destroys relationships

6. The social web gives businesses reach and richness in finding innovative answers to perplexing business problems.
7. Businesses are social networks. If you did not know this, you are in denial about the power of people conversing with other people.
8. Human Resource Management is no longer a rules game. People do not resist change—they resist being changed. The traditional approach to human resource practices needs to be transformed to practices that empower people.
9. People have conversations with people, not things. Customers will connect with customers and employees will connect with employees. What are these conversations producing? What can a business learn from these conversations?
10. Remove the barriers to relationships. Lead the transformation or be transformed by it.

Much of our day-to-day life, personal and professional, is interaction with other people, and those patterns of interaction influence much of the events around us and before us. The social web is creating new patterns of interaction, which in turn is creating a new world of social exchanges about everything, anything and between everyone everywhere.

For businesses to survive and thrive in this new world they will need to go back to the future and adopt the Socialutions 10 Points for Business Transformation required to thrive in the new world. **The new world is a new game and the rules of the past do not work. Live in the past or embrace the future.**

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Chapter 9

Socialutions: What About Results?



Often we hear business leaders ask about the value gained from all the social computing tools and activities. Many look at social web initiatives as marketing tools while others consider it a means of communicating with various stakeholders.

Socialutions looks at advanced social computing tools holistically as a means that facilitates operational improvements and breakthrough strategies across all

elements of any business.

Every business has a set of common challenges that impact performance that includes both "soft" and "hard" issues requiring constant monitoring, leadership and management methods to achieve improvements. These include:

1. Communication breakdowns
2. Cultural barriers to facilitating improvement
3. Increased demand to deliver higher value to customers
4. Customer and employee retention and acquisition
5. Lowering cost while increasing revenue
6. Satisfying private and public market expectations
7. Removing political barriers that inhibit progress
8. Leveraging technology to improve performance
9. Measuring and monitoring the vital few indicators of progress
10. Anticipating and planning for the future while managing the results of the day

The solutions to these top ten challenges have to do with improvement of methods, which need to translate into short and long-term results. Business results are a measure of dollars gained or lost as the result of related actions or lack of appropriate actions. Many of the solutions to the top ten challenges are "soft" in that it is more about methods than it is about measuring hard numbers and short-term results.

Historically, anything having to do with people, culture, communications and satisfaction has been labeled as "soft." Managing financial results, regardless of actions or methods, has been considered "hard." The fact is, counting or

manipulating numbers is a lot easier than managing the “soft issues” that create the numbers.

The principals of these issues are true regardless of the size of a business, an institution or a global market. It is difficult for leaders, predominantly male leaders, to both admit and to effectively deal with the “soft issues,” because the fundamental elements of the appropriate solutions are essentially socially oriented. Solutions to the top ten challenges require the cooperation, collaboration, consensus and management of “people processes.” Most businesses today suffer from social division, internally and externally, between people, purpose and progress.

Is It an Issue of Ethics?

Devin Stewart, Director, Global Policy Innovations, Carnegie Council writes, *“From an ethics point of view, web 2.0 has the potential of dissolving the false divisions between people—whether it is between nations and communities, producers and consumers, or labor and capital. With more ownership—both in influence and voting power—of the global economy, these divisions can fall away.”*

“In the case of CSR, companies should consider the principles of sincerity, innovation, and pluralism (as Mikkel Sorensen and Nicolai Peitersen have argued in “CSR 2.0”). Companies can draw on the infinite wisdom out there (in publics). They have this great list of principles for CSR 2.0:”

- 1. Inclusiveness – involving stakeholders directly from beginning to end*
- 2. Market driven – no longer expert driven*
- 3. Innovation – smart companies turn market pressure into stakeholder led innovation*
- 4. Sincerity – you can no longer uphold an image that is not real*
- 5. Co-ownership – a truly embedded value-based culture requires involvement*
- 6. Dynamics – standards and annual audits replaced by 24/7 engagement*
- 7. Quality - CSR as immersive business strategy*
- 8. Personal - It’s about you, not your sector! What are your own ethics?*
- 9. Pluralism – number and nature of CSR projects will expand dramatically*
- 10. Proximity - local impact is global*

“Megacommunities or multi-stakeholder initiatives become a reality with web 2.0, producing more sustainable solutions. Not only are the solutions drawing on more information but they also get more buy-in from increased participation. Web 2.0 has empowered civil society to do its job: producing social values and fostering the positive dynamic between companies and civil society.”

Social values and ethics are usually considered one of those “**soft issues**” by most business leaders rarely tied to producing hard results. Social value and ethics encompasses right conduct and good results.

Socialutions is about adopting a management method that ensures a business of worth to its stakeholders and a business that exceeds expected levels of satisfaction by people. The transparency of the web creates the accountability for business to produce real solutions for all stakeholders; spin is no longer sustainable as a solution. To obtain the traditional “measurable hard results, a business must ensure social solutions that address the “soft issues” which produces the real results.

Socialutions Implementation Strategy

Taking Your Company from Zero to Hero on the Social Web

Many of today’s companies recognize the urgency of converting to a customer-centric, social web-based, operation. The excuses and faulty logic brought on by global prosperity have been replaced by an honest examination of internal operations and external market share. As the various departments search for collaborative ways to maintain profitability in uncertain economic times, we will see more and more arrive at the *duh!* moment of realization that the customer comes first.

We have not exactly reached the Utopia that Adriana Lukas describes:

Imagine having your customers share with you what they like, want and think of you. . . Interaction with them is modular, intuitive and user-driven freeing much of your resources spent on marketing and transaction cost.

. . . nor have we seen more than a few examples of big, giant companies who give more than lip service to the process Doc Searls detailed almost five years ago (and Eve Maler recently simplified for those who love simple graphics).

However, there are some unpredicted catalysts on the horizon, and in the spirit of making right decisions, we see that adoption of a Socialutions paradigm is going mainstream.

Our proposal for Socialutions involves *problem-solving* and finding *innovative solutions* through social exchanges. Organizations can capitalize on the relationships and relationship connections of the people connected to them in some way, whether these connections come from employees, vendors, customers, or wherever. However, the customer must come first--not to the point of turning major strategic decisions over to crowd sourcing perhaps, but first nonetheless.

Tom Peters has a rather unique perspective on where to put the customer. He states, "To put the marketplace customer first, I must put the person serving the customer "more first."

***THE CUSTOMER COMES
SECOND: PUT YOUR
PEOPLE FIRST AND
WATCH 'EM KICK BUTT***

—Hal Rosenbluth and Diane McFerrin Peters (no relation—be delighted if she was)

He further states that ... "To give a high-impact, well-regarded, occasionally life-changing speech "to customers" I first & second & third have to focus all my restless energy on "satisfying" ... *myself*. I must be ... *physically & emotionally & intellectually agitated & excited &*

desperate beyond measure ... to communicate & connect & compel & grab by the collar & say my piece about a small number of things, often contentious and not "crowd-pleasers," that, at the moment, are literally a matter of personal ... life and death.

The drive of tomorrow's successful organizations will be a new method and philosophy proclaiming, "**We the Peoples are all aimed at Socialutions**" that creates perpetual value. We the people are aimed in that direction, but do the companies who serve us (even if we are after their employees)?

Here are some Socialution suggestions for getting from where you are to where you need to be in a hurry:

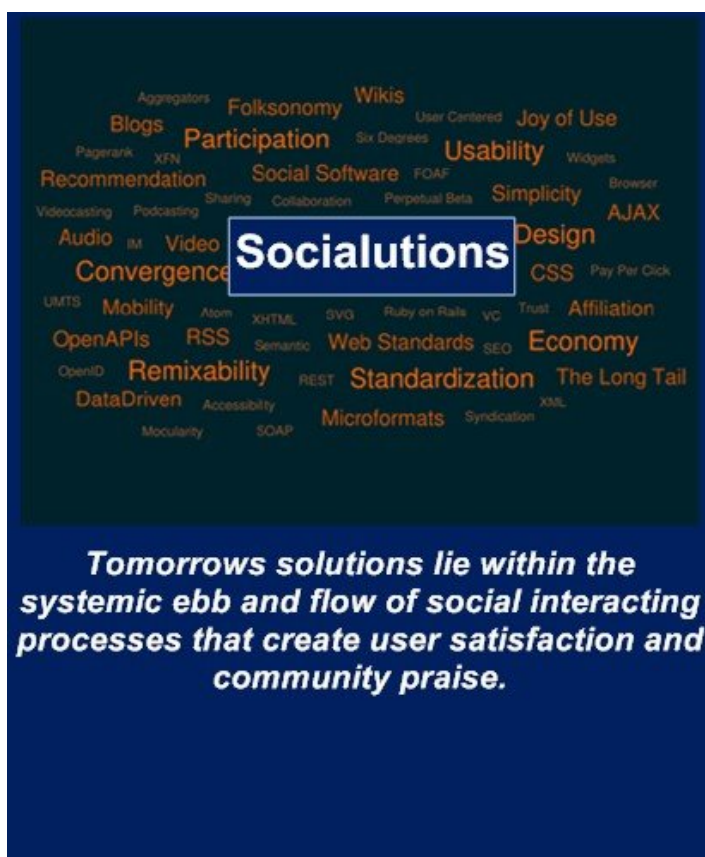
- 1) Make the Cluetrain Manifesto (especially the 95 Theses) mandatory reading for all your employees
- 2) Have your company intranet feature a link to Cluetrain @ 10 (a revisiting and revising after ten years) and recent posts on the Clueship.
- 3) On your company-wide strategy wiki (get one if you do not have one), start a "top ten clues" list and allow anonymous voting.
- 4) Allow time off (5% of the workday would be a good start) for your people (all of them, not just sales and HR) to Twitter, blog, Facebook and MySpace for the company.
- 5) Run from traditional (old school) marketing as a source of "what works." If it really worked, you would not have taken the time to read this.

Who Has the Right Socialutions?

When you do a search for “**Social Media Consultants**” on Google, it produces close to six million page references. It is ironic that on the front page none of the big name consulting firms show up, rather they are buried within the six million references.

Given that mainstream media and brands are moving quickly to the social web, many have and will continue to stumble through their initiatives and many will make critical and costly mistakes

Subsequently, the market for consulting practices that have a deep understanding and experience in providing **Socialutions** to businesses is likely to flourish in the not-too-distant future.



Whom Will Firms Seek For Advice?

As major corporations begin to buy up network operators, social media agencies, and a host of primary application developers, they will likely seek the advice of those they acquire for the purposes of integrating that which was acquired into their primary propositions. The premise is the firms being acquired have the experience with “**social technologies and user dynamics**” so they know more than we do and thus let us follow their advice. This is an assumption that could prove to be costly and

strategically flawed.

Then there is the scenario where a major brand wants to start his or her own “**Socialutions**” initiative without the cost of acquiring either a platform operator or a social media agency or application provider. They seek guidance from both within their organization and outside their organization. But whom will they turn to? How will they determine whether those they turn to have both the experience and understanding required to guide them to

success? Given that the entire “social space” is relatively new, how does a firm determine whether an outside resource is qualified to help them achieve their objectives?

Both of these scenarios illustrate the emerging challenges for executives contemplating their organizational strategies aimed at capitalizing on the shifts created by advanced social computing trends. The challenges are critical for public firms that are constantly under the scrutiny of the analyst, the shareholders and the markets. Leadership of any organization is expected to make sound decisions and effective use of capital to create improved returns. What makes these decisions even more intense is the very transparency of the web and how word of mouth spreads at the click of a mouse from one-to-one to millions. The end user of any “**social proposition**” is only six degrees away from the entire population of the planet, and their opinions spread in web time, which is faster than fast.

Who Has The Knowledge Required for Success?

Finding consultants who have knowledge about Socialutions can be easy, but finding the right knowledge can be extremely difficult. The difference is significant because in a space that is dynamic and changing daily, getting the wrong advice and doing the wrong things can cost more than the money a firm spends chasing the opportunities. The technology, practice and solutions that exist today are not tomorrow’s benchmarks. **Tomorrow’s solutions lie within the systemic ebb and flow of social interacting processes that create user satisfaction and community praise.**

Find someone or a firm that understands the last statement and you have found the knowledge required to survive. Find someone or some firm that can transfer that knowledge into your culture, your systems, and your strategies and enable you to produce results that exceed expectations, and you have found someone who can ensure your long-term success.

A competent consultant helps you change the game by transferring the knowledge required to play the game successfully. If a consultant accomplishes these objectives, then they will leave but may become lifelong friends.

What Are the Business Solutions?

The primary purpose of any business is to serve its customers efficiently and effectively with value propositions. In today’s economy, we must also consider the impending impact social mediums have on that purpose.

Advancing social technologies actually enhance a business purpose in two ways: expense reductions and revenue growth.

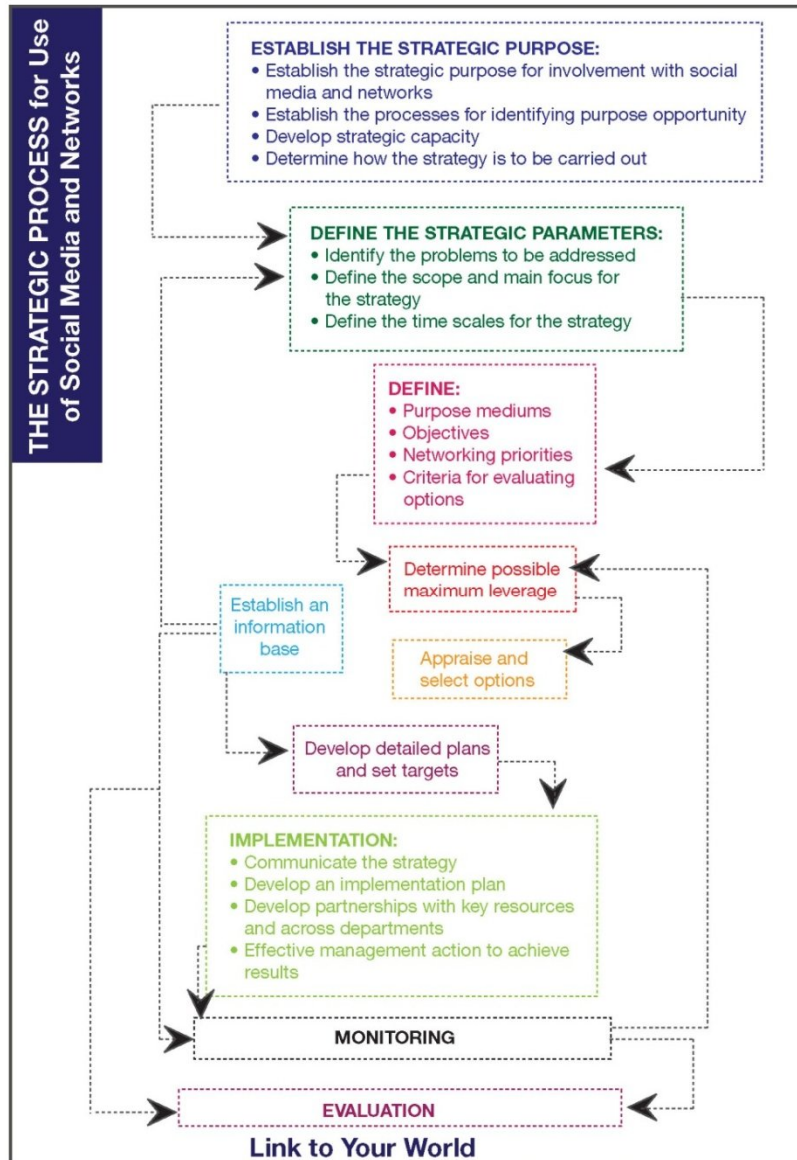
Expense reductions can be achieved by implementing social technologies that provide scale and customer intimacy. The old CRM models get accelerated with real time customer interaction and new ways of helping customers resolve problems quickly. In many ways, customer support for an organization can actually become a function customers serve for each other.

On the revenue side of the business equation, social technologies are enabling tools for businesses to expand their value propositions to customers by market segments. Adding "social tools" actually can expand on existing offerings and increase their value exponentially. Some new propositions need to be free while unique value propositions are monetized.

How Does a Business Plan for these Innovations?

Today's world of social computing technologies and the explosive growth of social media can be overwhelming for any business. Sorting through the hype and finding the right solutions that add the greatest value is a process using old methodology but applied to the new science of social computing.

Link to Your World, LLC has established these methods, aimed at helping organization find critical opportunities to maximize their time and efforts using social technologies. The process involved a PDCA (Plan, Do, Check & Act) cycle supported by a seven step continuous planning and assessment process with key measures to assure directions that produce the desired results.



Jay Deragon : www.linktoyourworld.com

Strategies followed by actions can be measured to verify intent and whether the actions are fulfilling their stated purposes. Situational reactions to the growth of the medium will only end in wasted time, energy and expense that do not deliver on business purposes.

Examining of strengths, weaknesses, opportunities and threats for any organization is the starting point. The end may actually point to an expansion of business purpose in the ways it serves the customer and entire markets.

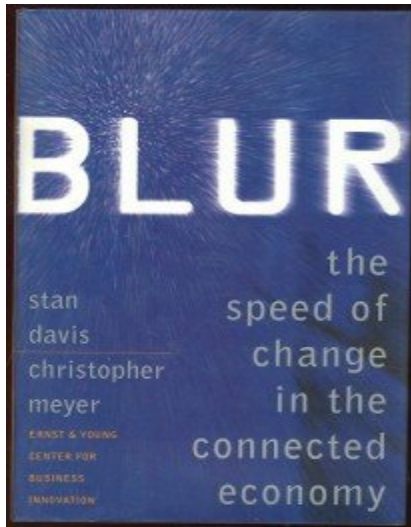
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Conclusion



A *Business Week* article states: In a new book, ***Here Comes Everybody***, author and academic Clay Shirky argues the future is here; it is time to get on with it

For many companies, adoption of social tools remains the domain of one department (often marketing or advertising) rather than a goal of the enterprise at large. The book does give tantalizing glimpses of the challenges and changes ahead, along with an analysis of the ongoing tension between commercial and noncommercial.

For most companies, and for many of the world's citizens, such anarchy is unthinkable. In the book's final pages Shirky does not shy away from asking whether the vast changes created by the emergence of new socially connected tools are—on balance—good or bad. He is a self-confessed optimist, but also a pragmatist, arguing that the rise of groups of which the majority might not approve is not just a by-product of the tools; it's the product, too.

Shirky calls for readers to acknowledge the new reality and look to the future. *"The important questions aren't about whether these tools will spread or reshape society but rather how they do so."* His book is a compendium of smartly analyzed, real-world examples of just that, and it provides a good foundation for those looking to get a handle on the new ways of the world.

So the Big Question is How?

Notice Shirky's emphasis is on how things will change, not whether they will change. Now Shirky and others such as Doc Searls, Seth Godin and a host of thought leaders all agree that the emergence of a social world fueled by technology will change everything for businesses and individual alike. The issue is what further changes will be fueled by the initial changes we are witnessing today.

The question is – What is the fuel that drives creativity? The social tools of today are fueling creative forces against traditional business models, processes and individual mindsets. By simply asking the **How** question against the basic understanding of the current dynamics, one finds the answers that in turn fuel further creativity.

The cycle of asking “how” is similar to a child asking “Why?” The question of how is a fundamental question driven by curiosity? Curiosity leads to discovery that begets learning.

The emergence of social technologies is helping us all rediscover “how” to learn all over again. We can learn “how” things will change together and collectively find Socialutions for many of today’s perplexing problems, and that is a good thing!

An Interactive Revolution?



Businesses are designed for interaction. They interact with markets, people, other businesses and the world as a marketplace. Traditionally the methods of interaction have followed with “best practices, competitor strategies and the mantra of the moment.” Today the process of interaction is being revolutionized.

[McKinsey Quarterly reports](#): The next revolution in interactions.

1. As more 21st-century companies come to specialize in core activities and outsource the rest, they have greater need for workers who can interact with other companies, their customers, and their suppliers.
2. Thus, the traditional organization, where a few top managers coordinate the pyramid below them, is being upended.
3. Raising the productivity of employees whose jobs cannot be automated is the next great performance challenge—and the stakes are high.
4. Companies that get it right will build complex talent-based competitive advantages that competitors will not be able to duplicate easily—if at all.

McKinsey & Company, known for its excellence in management consulting, is now proclaiming the disruptive nature of the social web, designing services, and writing entire publications devoted to the subject matter. Do you think the issues created by the social web have gone mainstream?

Link to Your World has developed Socialutions to facilitate corporate adaptation to the systemic and consistent evolution of the digital space. The fundamental and systemic nature of the emerging changes before us lead to the need for Socialutions as the new management philosophy, which will spawn new practices for those willing and eager to adapt and lead.

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Mr. Allen is co-author of *The Virtual Handshake: Opening Doors and Closing Deals Online* and a contributing author and editor of numerous books on the topic of social networking and social media. Mr. Allen is the Entrepreneurs Guide for *About.com*, a subsidiary of The New York Times Company and one of the top ten content websites in the world. He is monthly columnist and a contributing expert at Work.com. In addition, he blogs at The Virtual Handshake.com at <http://www.thevirtualhanshake.com>.

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Jay Deragon is Co-Founder and Managing Partner of Link to Your World, LLC <http://www.linktoyourworld.com> as well as co-founder of various social networks including Link to Wall Street at <http://www.linktowallstreet.com>. In addition, he founded Wireless Factors, <http://www.wirelessfactors.com> that serves the networking needs of the global Wireless Communications Community.

Mr. Deragon is considered one of the premier entrepreneurial thought leaders and strategists in the dynamic social media space and the emerging industry of social networks. His blogs –<http://www.relationship-economy.com> and <http://www.socialutions.com> serve as reference points for the emerging industry of social networks. He has had a successful career as a serial entrepreneur—founding, operating, and selling numerous businesses, including XS Voice, a mobile application company.

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Mr. Smith is an educator, trainer, strategic networks, and facilitator with a background in government, non-profit, and for-profit organizations. He is an Adjunct Professor at Austin Peay State University, and Mountain State University, and as a S.T.A.R. Instructor for the Federal Law Enforcement Training Center, part of the U. S. Department of Homeland Security. In addition, he is a founding board member of the Tennessee Gang Investigators Association, <http://www.tn-gia.org> and Square One Ranch <http://www.squareone> ranch.org. He blogs at <http://carterfsmith.blogspot.com>.

Link to Your World

Link to Your World, LLC is a full-service company that helps organizations transform virtual relationships into real business through leveraging social media. We are the foremost collaborative association of professionals specializing in social media and innovative technology. Our Managing Partners are among the foremost thought leaders in the systemic shifts of the emerging social media space and collectively shaping its future.

We focus on providing the best in class services in the following areas: Strategic Consulting, Education & Training, Technology, Planning, Implementation and Integration, Social Media and Network Development, Marketing and Business Development, and Research.

Our projects include developing strategic action plans and executable support for content development and differential, channel distribution by market segments served, video and audio production, integrated advertising for multimedia content, partnership development, and strategic alliances. We enable our clients to maximize the opportunities of the networked world quickly and securely.

Link to Your World supports Project VRM (Vendor Relationship Management), which is a development effort at the Berkman Center for Internet and Society at Harvard University led by Doc Searls, a fellow with the Center, and Co-Author of **The Cluetrain Manifesto: The End of Business as Usual**.

Link to Your World corporate web site is located at <http://www.linktoyourworld.com>. Its companion network discussion platform is located at <http://www.linktoyourworld.net>.

Publications

The Emergence of the Relationship Economy
<http://www.happyabout.info/RelationshipEconomy.php>

The Emergence of the Relationship Economy was co-authored by Allen, Deragon, Orem, and Smith and published in 2008. It included a Foreword by Doc Searls who is a Berkman Fellow and co-author of *The Cluetrain Manifesto: The End of Business as Usual*. It analyzes the factors that are influencing an emerging economy based on the sum of factors driving massive and significant changes to the way everyone works, plays, and lives. Targeted at general business managers and executives, as well as companies entering the social media space, the book offers a window into the future of the intersection of technology and business relationships.

Services

Strategy and Planning

Link to Your World assists small, mid-size, and Global 2000 companies to develop effective social media and social networking strategies. We approach social tools systemically, crossing the range of business functions, including marketing, sales, strategic partnerships, human resources, education, and planning.

Business Plan Development and Execution/ Securing Financing

Link to Your World assists start-up and growth companies in the social media space to develop and execute sound business plans. Securing financing is a main concern for such companies, and Link to Your World assists these companies in establishing and maintaining a strong social media profile and in identifying potential seed, angel and venture capital, private equity, etc.

Outsourcing

Through our network of social media experts, technologists, and content creators, we can provide full-service solutions in the social media space, including product, and website design, community facilitation, social media monitoring, blogging, podcasting, and video content production.

Product Design

With our industry experience and background in software product management, we help social media and social software companies prevent costly mistakes. We assist companies in developing and modifying existing products to encourage widespread user adoption and sustained use.

Resources

The Virtual Handshake

<http://thevirtualhandshake.com>

The Virtual Handshake was co-authored by David Teten and Scott Allen and published in 2005, and is a practical handbook for building virtual relationships that lead to real business. Rather than chasing ever-changing technology, the book focuses on timeless interpersonal skills, but in the virtual context. Its groundbreaking "7 Keys to a Powerful Network" is a

unique framework for aligning professional networking activities with business objectives, both online and in-person.