Chapter 13
Critical Success Factors in Enterprise 2.0:
The Importance of Business Performance

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ABSTRACT

While evangelists and enthusiasts of Enterprise 2.0 praise the benefits of the use of social software in the workplace, the sceptics are not that convinced and some draw attention to the failures of the Knowledge Management concept and tools that were trendy some years ago. In parallel, board members and top management question the true business benefits of Enterprise 2.0 and demand proof of the potential business value prior to giving a green light to this type of investment. If it is true that some of the benefits of Enterprise 2.0 are intangible and therefore harder to measure, the impact on business performance should be observable and consequently measurable. This chapter reflects on the importance of addressing the topic of business performance when it comes to social software in the enterprise. It also discusses the importance of integrating social software into the flow of work in order to drive adoption and sustained use.

INTRODUCTION

The enterprise of the 21st century will be a connected entity: one that leverages internal and external networks of people and knowledge to gain competitive advantage and face the increasing challenges of a highly mutable external environment.

The profound economy crisis, coupled with a deep social unease, has set the scenario for the rethinking, on a global scale, of the future of public and private institutions, of society as a whole and of work. Individuals and groups' opinions and actions are all being shared and amplified via a new generation of media—social media—that has given voice at a large scale to previously

anonymous people. As authors Hagel, Brown and Davison (2010) recently said in their recent book The Power of Pull "each of us, individually and together, are now, for the first time in history, in a position to collaborate in a complete reimagination of our biggest private- and public-sector institutions that will eventually remake society as a whole" (p. 159).

Authors such as Don Tapscott and Gary Hamel have well described some of the key concepts that will influence the future of organizations and work: openness, connectedness, mass collaboration, agility, and transparency. And social tools are playing an important part in enabling this internal and external connectivity and collaboration in companies big and small. For both leaders and employees the construction of the new enterprise presents new opportunities, but also new challenges and new work concepts to grasp, creating a mixture of excitement and fear.

A key concept in the modernization and adaptation of the enterprise to the challenges it will increasingly face is that of Enterprise 2.0: the deployment of Web 2.0-style tools (social software) and practices with the purpose of fostering collaboration and collective intelligence inside organizations.

But while evangelists and overall enthusiasts of Enterprise 2.0 praise the benefits of the use of social software in the workplace, the sceptics are not that convinced and some draw attention to the failures of the Knowledge Management concept and tools so trendy some years ago. In parallel, board members and top management question the true business benefits of Enterprise 2.0 and demand proof of the potential business value prior to giving green light to this type of investment.

If it is true that some of the benefits of Enterprise 2.0 are intangible and therefore harder to measure, especially those related to employee satisfaction and engagement, the impact on business performance should be observable and consequently measurable, demonstrating to companies' executives the concrete value of Enterprise 2.0.

In this chapter, we look at the importance of tying Enterprise 2.0 projects to the topic of business performance, as a way of measuring value to the organization, and also the need for integrating social software in the flow of work, as a critical success factor when it comes to driving adoption.

ENTERPRISE 2.0: CURRENT CHALLENGES

Andrew McAfee (2009) wrote in his Enterprise 2.0 book about one of the big shifts witnessed from Web 1.0 to Web 2.0 which was "the realization that software could be social – that in addition to making individuals more productive and automating away their roles in a process, software could and should be used to let people find one another and form communities" (p. 139).

Several years before, in the spring of 2006, the same McAfee published in the MIT Sloan Management Review magazine an article entitled Enterprise 2.0: The Dawn of Emergent Collaboration. The article, taking on the example of the investment bank Dresdner Kleinwort Wasserstein (DrKW) to reflect on the use of Web 2.0 tools inside organizations, is generally viewed as the text that coined the Enterprise 2.0 expression. And it opened up with a question: "Do we finally have the right technologies for knowledge work?" (McAfee, 2006, p. 21). That article is said to be one of the first case studies that shows how the use of software—in the particular form of social software—could help an organization work and share knowledge in a more efficient and human way.

Several years have passed now but the concept, its frontiers, advantages and challenges are still being discussed and researched, as more and more companies use the so-called social tools internally and report their experience and results.

And several years after that groundbreaking article the division persists: on one side the evangelists and overall enthusiasts of Enterprise 2.0

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