



The Business Case for In-house Social Networks

By [Robert McGarvey](#)

December 3, 2007: What some dismiss as a plague against productivity may be the tool that unlocks enormous new value for your organization.

Call them a plague against productivity – or, just maybe, they are the tool that will unlock enormous new value for business. The debate is that sharp.

On the thumbs-down side of the equation are top corporate brass who routinely express annoyance over employee involvement (on the company's dime) at high-profile social networks such as Facebook and MySpace. Web security firm Barracuda Networks recently put hard numbers on how much such social networks are disliked by organizational decision-makers. That's because some 50.2 percent of companies surveyed by Barracuda now block access to MySpace and/or Facebook.

But here is the surprising flip-side: Companies are starting to rush to build out internal social networks, accessible by employees, perhaps vendors too, and the irony is that this is happening in the belief that online networking tools will in fact increase productivity. "This is the next big wave," says consultant C. David Gammel.

"I really think social networking is the killer app," adds Paul Pluschkell, CEO of Spigit, a developer of enterprise networking tools.

Faster information flow, more ideas

Already, companies from Kodak to SAP are up and running with some species of internal networking site that in most cases offers opportunities to blog, create wikis, put up podcasts, and, definitely, to create multidimensional personal employee directory listings that probably will include a photo, possibly some video or an audio file, almost certainly a skills listing, and then the standard directory material such as office location and phone numbers.

Right there is a key payoff of these tools: They enable faster ways to locate expertise within a company. Say there's an immediate need to locate a speaker of an obscure Indian dialect. With the right social networking tools installed, all it will take is a few mouseclicks to locate internal experts – problem solved.

But social networking visionaries see much more happening than simply a company directory on steroids. What they envision are in-house networks that, by pooling thinking and creativity, contribute new ideas: A promise of a well-oiled social network inside a business is that "it will create new value," says Matt Greeley, CEO of BrightIdea.com, a developer of innovation management and collaborative tools. Pull together disparate

employees – with different job titles and ranks in the hierarchy – and sparks will fly that will light a fire of creativity, suggest the social network pied pipers.

But the problem is “getting people involved, sharing knowledge, and committing to energize the organization,” says David Carter, founder and CTO of Awareness, Inc., a developer of social media tools for companies including McDonald’s. An enterprise social network succeeds, or fails, depending upon the engagement of key inside thought leaders but getting them to play really is not as simple as opening up a site and sending out invites.

“Employees want to know what is in it for them,” says Kim Patrick Kobza, CEO of Neighborhood America, a leading developer of social networking tools for the enterprise.

There’s the unexpected rub. Hundreds of thousands of young workers readily put in minutes (sometimes hours) every day on Facebook, but open up an in-house networking space and they just may ignore it.

End of the day, however, and the verdict for 2008 is shaping up as: Give networks a try, if only to bridge a looming generational divide.

Case in point: Bill Hayduk, CEO of RTTS, a software quality assurance and test company based in New York, says that while he personally doesn’t get what the buzz is about yet, he nonetheless recently greenlighted building an internal network.

“I’ve got a bunch of young IT people whom I want to keep comfortable working in the way they want to,” says Hayduk, who adds that he believes an online network will help pull together workers at various RTTS sites such as Phoenix and Philadelphia.

You must stay relevant

Time waste by employees of course is a concern, admits Hayduk, but he says his employees already have been using social networking sites, so why not try to steer them to an in-house vehicle. Besides, he adds, “if you want to stay relevant you have to play by their rules and, right now, these kinds of sites are so popular.”

Robert Stanley, senior test engineer at RTTS and the lead for the build-out of the social network, admits that the company initially stuck a toe in these waters by launching a wiki, “but it was under-utilized. There was no reason to go there.” Less than five percent of the workforce ever contributed content.

That is why RTTS now is launching a more robust, multi-dimensional site. “We want employees interacting with the site as much as possible,” says Stanley. More ways for more people to get and stay involved is emerging as a key strategy for making internal networks relevant and, so far, say the experts, putting up lots of content (from company news to in-house craigslist-style swap classifieds) is the solution du jour.

This still leaves the open question: Will a business value be evident? The answer for right now: nobody really knows, but the smart money is betting that some kind of trial needs to happen, now, if only to show under-30 employees that their employer gets it. Sort of.