The Evolution of Social Business

Six Stages of Social Business Transformation

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Includes input from 26 ecosystem contributors and 698 survey respondents

Executive Summary

Companies are not created equal. Altimeter Group found that companies go through six distinct stages of social business maturity, each with unique risks and opportunities.

Based on a series of interviews with organizations that are investing in social media strategies at varying levels, we learned that notable differences exist between companies implementing a social media strategy and those that are building a social business. A social media strategy lays out the channels, platforms, and tactics to support publishing, listening, and engagement. A social business strategy is the integration of social technologies and processes into business values, processes, and practices to build relationships and spark conversations inside and outside the organization, creating value and optimizing impact for customers and the business alike. The most important criteria for a successful social business strategy are twofold: clear alignment with the strategic business goals of an organization AND organizational alignment and support that enables execution of that strategy. However, in a survey conducted by Altimeter of social strategists and executives, only 34% felt that their social strategy was connected to business outcomes.

This doesn't happen overnight: Companies start with external-focused social media initiatives and gradually enable and "socialize" different business units and functions. At some point, leading organizations create a coherent social business strategy that has the support of senior C-suite executives. These social media strategies and initiatives not only evolve into social businesses, but the journey also steers toward complete convergence where social is deeply embedded into the fabric of the organization. Altimeter found six maturity stages in all, along with common success factors — the most important being a laser focus on employing social technologies to achieve business goals over time.

Methodology

Altimeter Group conducted both qualitative and quantitative analyses, using a combination of online survey, interviews, and briefings, on the ways large organizations create and evolve their social business strategies. Specifically, we conducted:

- Interviews with 26 executives and social strategists at 15 companies about the development and success of their social strategies.

- Quantitative study of 698 executives and social strategists about their social media efforts. Of these respondents, 130 were at companies with more than 1,000 employees. The survey was conducted online during Q4 2012 by Altimeter Group.

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Challenges of Social Business Strategy

Social media strategists have long championed the adoption of social technologies for business purposes (for nearly eight years in the case of one financial institution we encountered in our research). Despite that, social media is still largely operating in a vacuum, focused on bottom-up functional roles rather than guided by a top-down business vision. The crux of the problem is that many so-called social strategies are not innately linked to business goals. They are instead often guided by a peer- or competitive-driven "social for social's sake" philosophy. And even where clear goals do exist, social initiatives face challenges in the form of a lack of defined strategy, governance, and funding.

To better understand how companies can successfully create coherent social business strategies and evolve into a social business, Altimeter interviewed 26 executives and social strategists at 15 companies about the development and success of their social strategies. We also surveyed 698 social strategists and executives about their social media adoption efforts, of which 130 were at companies with more than 1,000 employees.[i]

Altimeter defines the evolution to a Social Business as:

> *The deep integration of social media and social methodologies into the organization to drive business impact.*

The Current State of Social Strategies

For this research, we focused primarily on large companies that currently have social media initiatives in place. Thirty-six percent of organizations with over 1,000 employees started their social media programs within the past two years, indicating that the market is still in a growth stage. When asked how strongly they agreed with statements about their social strategies, most people surveyed felt they had "fairly developed" social strategies, with the exception of metrics and training (see Figure 1).

Fig. 01

Most companies feel they have fairly coherent social strategies

⊙ Below are a number of statements that describe elements of a social strategy. Please indicate the extent to which you "agree that each statement describes your organization (percent that responded"somewhat agree" and "strongly agree")

Statement	Percent
Risk management around social media is well understood by Legal/Compliance and risk mitigation/crisis management policies and processes are in place throughout the organization.	65%
Social strategy is connected to business goals and outcomes.	61%
Roles, responsibilities, and governance of people directly and indirectly responsible for the execution and support of social efforts are identified, resourced, and in place throughout the organization.	60%
Top executives are informed, engaged, and aligned with our social strategy.	52%
The social strategy includes a detailed roadmap for what it will do – and also not do – over the next 1+ years	52%
A long-term vision for how social media will improve customer relationships had been articulated	48%
There are clear metrics used throughout the organization that associate social activities with business outcomes.	34%
Employees at all levels are aware and trained on how to use (or not use) social media in both their jobs as well as personal lives in ways that will positively impact the organization.	27%

Base: 130 respondents over 1,000 employees
Source: Altimeter Group Social Business Strategy Survey, Q4 2012

But once we dug into the details, we began to see problems — only 34% of companies surveyed felt that their social strategy was connected to business outcomes. The rest of the companies were active in social media without the efforts being grounded in business goals. We found several drivers for this disconnect:

- **Unaligned executives.** Only 52% of companies surveyed agreed with the statement, "Top executives are informed, engaged, and aligned with our social strategy." Despite the initial funding that created their positions, many social strategists we interviewed felt that without deep executive support, they didn't have the validation, direction, and resources to move beyond tactical efforts. Part of the challenge is that executives don't understand social media's potential for business impact — primarily because they have not experienced social media themselves. One social strategist shared, "Many of our board members and executive leaders aren't even on Facebook, so social media is foreign to them." We found that in organizations where executives do not use social technologies, social media as a business tool is often limited in reach and understanding within the organization unless a business case is made.

- **Disparate, uncoordinated efforts.** The allure of social media can spread quickly through an organization, with many different departments — and goals — competing for the attention of the same social customers. Moreover, while most social media teams reside in Marketing or Corporate Communications, many of those organizations have at least one FTE in another department (see Figure 2). Organizationally, most companies have some sort of hub or "center of excellence" coordinating efforts, but 46.5% are still either highly centralized

Fig. 02

Social Media efforts reside throughout the Organization

⟩ In which department does your core Social Media team reside?

Department	Percentage
Marketing	40%
Corp Comm/PR	26%
Social media	14%
Digital	14%
Other	5%
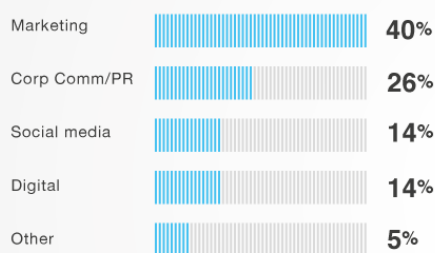
Base: 125 respondents with over 1,000 employees

⟩ In which of the following departments is there at least one dedicated person executing Social?

DEPARTMENT WITH AT LEAST ONE PERSON WORKING ON SOCIAL	Companies with the core social team in the Marketing department	Companies with the core social team in the Corp Comm/PR department
Marketing	92%	66%
Corporate Communications/PR	52%	97%
Customer Support	36%	38%
Social Media	34%	19%
Digital	24%	28%
HR	20%	34%
IT	18%	6%
Customer/User experience	14%	9%
Product development/R&D	16%	9%
Advertising	6%	19%

Base: 50 respondents and 32 respondents with core teams in Marketing and Corp Comm/PR, respectively, with over 1000 employees

in one department or completely decentralized. At companies without a coordinating hub, the resulting silos, blurred vision, undefined infrastructure, and the lack of coordination and governance make charting a course in the right direction elusive.

- **Incremental funding.** Budget and resources impact the ability to experiment, learn, and adapt. As one executive commented, "There's a lot of interest in social at [our company], but it's still not a primary driver of business, and its budget is much lower than traditional channels." While there are outliers, the average spend for both external and internal efforts by companies up to $1 billion in revenue is less than $500,000 a year (see Figure 3). The CMO Survey reports that social media spending represented just 7.4% of marketing budgets in 2012.[ii]

Fig. 03

Personnel and Budgets for Social Media Programs in 2012, by Company Revenue

	$100 M — <$250 M	$250 M — <$1 B	$1 B — <$10 B	$10 B — MORE
FTEs for external	6.2	7.3	7.9	19.1
FTEs for internal	3.0	4.2	4.7	10.1
Spending in 2012 for external presence and engagement*	$217,647	$368,103	$968, 548	$2,901,987
Spending in 2012 for internal efforts	$89,706	$93, 750	$562, 069	$1,308, 750

Base: 50 respondents and 32 respondents with core teams in Marketing and Corp Comm/PR, respectively, with over 1000 employees

Defining Social Business Strategy

Given these shortcomings, how can an organization create a coherent social business strategy? What we found was that while organizations may be at different points in their evolution to a social business, they could still maximize value at each stage of maturity — as long as they aligned and integrated their social efforts against a set of clear business objectives. This is key to Altimeter's definition of a Social Business Strategy, which is:

The set of visions, goals, plans, and resources that align social media initiatives with business objectives.

Social Business Strategy Maturity Matrix

A fully formed, coherent, and integrated social business strategy doesn't appear overnight — it develops and evolves over time. The amount of time it takes varies with each business. We found, however, that organizations — regardless of time — go through six distinct stages of development (see Figure 4).

Fig. 04

The Six Stages of Social Business Transformation

PLANNING	PRESENCE	ENGAGEMENT	FORMALIZED	STRATEGIC	CONVERGED
Listen & Learn	**Stake Our Claim**	**Dialog Deepens Relationships**	**Organize For Scale**	**Become A Social Business**	**Business Is Social**
Understand how customers use social channels	Amplify existing marketing efforts	Drive consideration to purchase	Set governace for social	Scale across business units	Social drives transformation
Prioritize strategic goals where social can have most impact	Encourage sharing	Provide direct support Internal employee engagement	Create discipline & process	Moves into HR, Sales, Finance, Supply Chain	Integrates social philosophy into all aspects the enterprise
			Strategic business goals	C-level involvement	

Altimeter found that, even in early stages, businesses need to introduce value by aligning or meeting business goals and needs so they are present at every stage of the journey. We also learned that developing an integrated strategy requires that all elements of your business goals and social business strategy are aligned around those goals and needs and that they are appropriate for where your organization is on its journey (see Figure 5). Use this graph to understand where you are on the journey. Then ground yourself in the current state, and make the most of it. But also understand when it's time to move on to the next stage — and how to do it in a coherent manner.

Fig. 05

Elements of a Social Business Strategy

		PLANNING	**PRESENCE**	**ENGAGEMENT**	**FORMALIZED**	**STRATEGIC**	**CONVERGED**
		Listen to learn	Stake our claim	Dialog deepens relationships	Organic for scale	Become a social business	Business is social
GOAL		Understand how customers use social channels Priortize strategic goals where social can have the most impacts	Amplify existing marketing efforts Encourage sharing	Drive considerations to purchase Provide direct support Internal employee engagement	Set governance for social Create discipline & process Strategic business goals	Scale across business units Moves into hr, sales, finance, supply chain C-level involvement	Social drives transformation Integrates social philosophy into all aspects of the enterprise
METRICS		Mentions Sentiment	Share of voice Fans, followers, shares Brand metrics Traffic	Path to purchase Lower support costs Customer satisfaction	Process efficiency Link to department Business goals & ROI	Enterprise metrics like net promoter score, ltv	Deep analytics tied to functions and lines of business (lobs) Insights lead to adaptive and predictive strategies
INITIATIVES		Listening / monitoring Internal audits Pilot	Social content Risk management Training	Campaigns long term programs Social support Communities	Create center of excellence Enter Social Network	SMMs to scale employees Social part of planning process	Redefine processes Enter prosewide training One strategy process managed through diparate but complementary teams and efforts
ORGANIZATION & RESOURCES		Monitoring platform Part-time headcount Agency support	Dedicated Manager Content Management	Social Strategist Small, dedicated team SMMS	Staffing up CoE Tech Investment	CoE Coordinates Hubs Dedicated Spoke Headcoun	Social is everyone's responsibility

As organizations grow through these stages, the social strategy shifts from being a bottom-up, groundswell-led set of social media tactics to being transformational initiatives. To describe the journey, Ford Executive Vice President of Global Marketing, Sales and Service and Lincoln Jim Farley used an analogy, saying, "We're in the awkward teenage years where we have a strategy but it's not executed the same way in all parts of the company."

Where are you in this journey, and where do you need to go? To help answer these questions, we describe each maturity stage, examining common business goals and metrics used at each stage, activities usually undertaken, and also specific pitfalls typically encountered. We also provide a checklist of issues and activities that will help maximize business value in each stage, as well as how you can tell when it's time to make a transition to the next maturity stage.

Stage 1: Planning – "Listen to Learn"

The goal of this first stage is to ensure that there is a strong foundation for strategy development, organizational alignment, resource development, and execution. Altimeter found that companies with successful social strategies spent a significant amount of time at this stage, building a firm foundation before moving on to the next stage. Three goals dominate the planning stage:

- **Listen to customers to learn about their social behavior.** Before Dell launched its first social media presence in 2006, the company began by listening for nine months to what people were writing on blogs and

discussion forums about Dell. By understanding and working to address these identified needs through existing customer service channels, Dell was laying the groundwork to become the social organization that many social experts recognize today. At GE, many business units begin their social business journey with a voice of the customer or insight study, conducted through a combination of digital market research, online surveys, and focus groups.

- **Use pilot projects to prioritize social efforts.** With so many options available in social, which initiatives and channels should you take on first? Many social strategists we interviewed pointed to pilot programs that provided decision makers the "digital proof points" that connect social media solutions to solving business problems. These programs helped them prioritize which initiatives would have the greatest impact.

  Once you do experiment with pilots, it's also important to keep moving. Don Bulmer, VP Communication Strategy at Shell, shared, "Don't get stuck in a pilot too long. The toe in the water needs to quickly be followed with an all-in jump. If you dabble, it will be a failure. So make sure the strategy reflects the resources available and feel comfortable with uncertainty."

- **Use audits to assess internal readiness.** Several companies we interviewed conducted competitive audits during planning to understand existing capabilities, as well as to understand how competitors are and are not using social media. And many run internal readiness audits to identify gaps and opportunities in how to support social media and what training and education is needed to build early understanding and support (see Altimeter Group's Report, Social Business Readiness, August 21, 2011).[iii] One of the benefits of conducting these audits is to build the case for taking action — but care must be taken that the actual initiatives are accretive to business goals rather than a reaction to competitive actions. For example, executives at Ford wanted to do an internal audit to make sure that the social team knew what everyone was doing around the company and uncover as much as possible. A total of 80 interviews took place, with the social team providing a snapshot of where Ford was in terms of social activities, as well as significant gaps.

Here are some best practices on how to ensure that you are getting the most value during this planning stage:

- ☐ **Define specific business goals and objectives for listening.** Do not listen just for the sake of listening. Be sure that you consider business objectives at every level of the organization — corporate brand, sub-brands, lines of business, and even functional departments such as recruiting.

- ☐ **Select metrics based on those business goals.** Go beyond simply tracking mentions and sentiments. Instead connect how an increase in mentions or a change in sentiment corresponds with business impact. Ann Lewnes, CMO at Adobe, stressed the importance of having meaningful metrics early, saying: "Get measurement under control. This starts with setting clear goals and deciding, from the outset, what you're looking for. Otherwise, you'll drown in a sea of data. Hand-in-hand with this is examining the metrics that really matter — the ones most closely tied to bottom-line results."

- ☐ **Select and invest in a monitoring platform.** One of the biggest mistakes that companies make early on is to believe they can make do without a monitoring platform. Even if all you are using are basic tools like HootSuite, start with something and commit to evolving a platform over time that will support your evolving listening needs. To learn more, see Altimeter Group's report, A Framework for Social Analytics.[iv]

- ☐ **Disseminate your learnings.** Develop a reporting process that communicates the value of listening and promotes findings and insights throughout the organization to key stakeholders.

- ☐ **Identify opportunities for the future.** Observe how customers and competitors are active in each social channel to surface opportunities that will have greater impact on your selected business objectives. Use insights to develop internal and external pilots to "test and learn" that — along with the internal social readiness audit — can identify and prioritize areas for investment and improvement.

☐ **Identify core resources.** Identify key people in your organization who are best positioned to gather learnings at this stage and disseminate it throughout the rest of the organization. Partner with external agencies that can provide listening expertise — and also are willing to develop this strategy capability for you in-house.

Stage 2: Presence — "Stake Our Claim"

Staking a claim represents a natural evolution from planning to action. As you move along the journey, your experience establishes a formal and informed presence in social media. This may involve launching a YouTube channel, creating a blog, promoting a Facebook page, or setting up a Twitter account. At this stage, the goal is merely to establish a presence, although some organizations may combine this with Stage 3 and begin to engage right away as well. Altimeter observed that successful organizations invested in three key initiatives to establish a solid foundation for future efforts, and also to ensure that those social efforts create business value:

- **Leveraging social content to amplify existing marketing efforts.** Marketing may focus on creating and publishing content through paid and/or owned media channels to create brand lift. Corporate communications may seek to employ earned media programs to encourage sharing that can dramatically increase traffic volume and audience reach. As an example, most of social media at Adobe centers around the marketing function, helping to drive awareness, engagement, and inform/educate its communities.

  Here, it's important to set a clear, integrated content strategy. Presence strategies rely on a steady flow of content to spark sharing and conversation within key networks. Thus a content strategy — which outlines the governance, roles, and responsibilities — is a crucial piece of this strategy (see the Altimeter Report, The Converged Media Imperative, July 19, 2012).[v] Given the resources needed to create content, this stage also represents a time when organizations need to fund positions. Bridget Dolan, VP of Digital Marketing at Sephora, shared, "Sephora is getting into more social venues, and we want to be unique and optimized with our content. This takes a lot of writing, designing, and adequately staffing production."

  One snag often encountered at this stage is the lack of integration with existing efforts. One social strategist noted, "Social is brought in after the entire program is already created and sold into leadership — who then want to improve it with social. The marketing team will nod and smile, listen to us, and then they do what they want anyway."

- **Providing information to support post-transaction issues.** By contrast, social media at Comcast is used primarily for customer support. The company anticipates potential service issues and proactively pushes out content — for example, ahead of Superstorm Sandy, Comcast activated all social channels to let subscribers know how to deal with anticipated disruptions caused by the storm.

- **Aligning metrics with departmental or functional business objectives.** Once content appears in social channels, alluring engagement metrics will quickly follow — the number of visits, fans, followers, shares, likes, and retweets will lull you into a sense of success. It's critical to create concrete goals for the strategy and metrics, even if they are softer metrics. Admittedly, this is difficult. Our survey data and interviews found that across the board, companies find this challenging.

  But, some companies are finding ways to do this. For example, Royal Dutch Shell concentrates its social presence efforts across Facebook, LinkedIn, and Twitter. Facebook is a core primary channel, which it launched in February, 2012. Their goal: To showcase the personality of Shell in operations, drilling, retail, and careers. The key metric they use is reputation, asking a random population on Facebook — as well as across traditional media channels — two questions: 1) On a scale of 1 to 5, To what extent do you think Shell is actively addressing future energy needs? And 2) To what extent do you think Shell meets its customers' energy needs in socially and environmentally responsible ways?

Shell tracks this on a daily basis to see how reputation is trending in its Facebook community, versus other channels, and thus to correlate how Facebook content impacts perception of reputation. In this way, Shell is able to connect a measurable KPI to a business goal.

The following best practices can help ensure that this Presence stage maximizes business impact:

☐ **Link your social presence to business objectives.** Start with the priorities identified in the Planning stage and make sure that any presence you establish in social channels has a clear link to business impact and outcomes. To keep yourself honest, test this by looking at the metrics you are using — do they reflect and link back to existing business metrics? If not, take the time to really connect your social media presence activities with direct business outcomes.

☐ **Pass on engagement — for now.** Focus on presence strategies where you are not setting or feeding expectations for response and engagement … at least not at the beginning. While some detractors may say that this really isn't "social" because there is no two-way interaction, this may be a necessary first baby step to get nervous executives and legal departments at least into the social mediators.

☐ **Develop sharable content.** Develop content and programming that is shareable so that there is some social activity around your presence. The worst that you could do is to simply regurgitate press release headlines.

☐ **Establish governance with an eye to the future.** As your social presence grows, more and different parts of your organization will inevitable want to participate. To ensure that you don't have 29 different Facebook and Twitter accounts within a year, anticipate how you will respond to the first requests to expand the organization's social media presence. Define the boundaries for social media presence activity, and start laying out a rational governance structure that can morph as your social maturity increases. Jonathan Blank, Manager of Social Media at WellPoint, advised, "Come to an agreement on the governance model before moving on to the strategy."

Stage 3: Engagement — "Dialog Deepens Relationships"

When organizations move into this stage, they make a commitment where social media is no longer a "nice to have" but instead is seen as a critical element in relationship building. Most organizations do not enter into this stage lightly but, rather, just the opposite. Some fear being overwhelmed with negative comments. Others worry about encountering a deafening silence of non-engagement. Those businesses that do well in this stage realize that social is not just about path to purchase or relegated to simple engagement metrics, but instead understand that eventually social media can affect the entire customer lifecycle.

Below are five typical factors that emerge in this phase:

- **Spark or participate in conversations to build communities.** Organizations are expanding presence strategies to become part of the community while increasing the overall size of their respective community within each social network. This is an approach that develops within this phase. Early on, engagement programs may start with the marketing or communications teams as a form of entertainment or facilitating general conversations. As time progresses, engagement initiatives expand through the use of creative, informative, or shareable content (blog posts, infographics, videos, et al.). The goal throughout is to introduce value into the community, amplify presence, and boost the numbers associated with the three F's (friends, fans, and followers).

- **Use engagement and influence to speed path to purchase — efficiently.** The traditional customer journey becomes dynamic when relationships formed via social contacts speed potential buyers along. The key with this goal is to determine what kinds of engagements impact that journey more — and thus create business

value more than others. Fidelity, for example, believes that deepening its relationships and creating higher satisfaction with customers through social tactics will lead to opening new accounts. Lori Johnson, VP of Online Strategy, explained, "As Fidelity began to converse with its customers on social platforms, the engagement became increasingly more meaningful and impactful. In listening to customer needs, offering solutions, and giving prospects content to empower their financial lives, we quickly realized the mutually beneficial relationship that social was creating between us and our customers."

- **Provide support through direct engagement — as well as between people.** A natural extension of providing support is to do so directly through social channels. Comcast began seeking out and responding to people who mentioned Comcast on Twitter. As Kip Wetzel, Senior Director of Social Media Service and Strategy at Comcast, recalled, "Every other care conversation we were having was private, on a one-to-one basis. We took the risk to take it public and were committed to transforming customer experiences and doing things differently." While Wetzel admitted that assigning a specific ROI is tough, Comcast has found that Twitter customer support has contributed double-digit increases in customer satisfaction, year over year.

- **Establish a risk management and training discipline to shift mindsets.** Let's face it; risk is a reality of business, but even more so when it comes to social media. Savvy social strategists realize that the process of creating a risk mitigation strategy is also an opportunity. Dan Brostek, Head of Social and Mobile at Aetna, shared, "We're going through a huge cultural shift as to what it means to be a risk-averse organization that has worked in silos and now needs to be much more open if we want to be successful in collaborating internally and with customers going forward." A key supporter of Aetna's social strategy has been Chairman, CEO, and President Mark T. Bertolini, who himself is active in social media.[vi]

  Having a clear social media policy is a start, but also needed are detailed social media content guidelines and playbooks, triage plan, and scenario rehearsals. Of the companies surveyed for this report, 85% said that they have a social media policy in place — and of these, only 18% of them felt that their employees had a good or very good understanding of that policy.[vii]

  At The Recording Academy (TRA), which runs the Grammy Awards, all employees are given a social media policy document with the rest of their HR materials when they are hired. Social media training is also provided annually for all employees. That's because all employees are charged with amplifying the work of TRA and the Grammys through social media. All executives go through social media training as well and understand the value it brings to the Grammys.

- **Foster employee engagement through enterprise social networks.** Just as importantly, many companies at this stage also look to Enterprise Social Networks (ESNs) to engage employees internally (see the Altimeter Group Report, Making the Business Case for Enterprise Social Networks, February 2012).[viii] At Kelly Services, CEO Carl Camden is a key supporter of the company's ESN, explaining, "We are trying to build an inside culture that encourages risk-taking and more innovation at the front lines. It's critical to enable people to communicate without going through a chain of command." Organizations also see ESNs as a formative part of creating a culture of sharing that further prepares the company for engagement with customers externally.

To fully realize business impact at this stage, organizations should pursue the following best practices:

- ☐ **Take baby steps to engagement.** For many companies, moving from Presence to Engagement is a very scary step, so take it slowly to develop confidence, establish best practices, assign roles and responsibilities, and initiate risk mitigation. For example, engage in a blog post comment discussion, where the expectation for engagement is limited to just that blog post. Or engage in a single discussion thread on a forum. From there, move to occasional responses on existing social channels where you have a presence. The key is to extend the goals from the Presence stage into Engagement — so if the initial goal is to amplify existing marketing efforts, then look for engagement opportunities that further that same goal.

☐ **Create rules and processes for engagement.** Regardless of the type of engagement, be sure to define what good engagement looks like — as well as when it goes awry. Specific guidelines will ensure that everyone is on the same page not only on when to engage but also how. But even more importantly, develop a process map that shows how inbound social media mentions are assessed and triaged and, if warranted, engaged across the organization. Organizations such as the US Air Force, ARAMARK, and H&R Block have detailed triage flow maps that lay out how different issues are handled, a sort of decision tree that ensures that everyone is aligned and aware of how to deal with different scenarios.[ix] Realize that the engagement plan is not fixed in time — rather, it needs to be regularly updated and aligned around to ensure that it fully reflects how engagement is evolving at the organization.

☐ **Look beyond engagement activity metrics to understand value creation.** It's easy to be lulled into a false sense of measurement success when you have a mountain of engagement data at your fingertips. But, you must look beyond the number of interactions or percent of messages with replies or shares and understand how engagement creates business impact. This isn't easy. Adobe piloted an integrated campaign for a new product for six months and found that social could be undervalued by as much as 94% for being the driver of conversion and revenue. Initially, search was given all the credit for the sale, but Adobe is now able to attribute value to social media relative to conversions.

☐ **Communicate the impact of engagement broadly.** Because public engagement in social channels may be new for the organization, frequently share engagement activity and impact with key stakeholders and executives to demonstrate progress and earn support. This goes beyond communicating status of engagement and general social activity. Create a link between the activity and business value, either at the departmental/functional level or for the overall business/brand.

☐ **To scale, invest in a social media management system.** Things can get complex, very quickly, especially if you have a large base of customers and need to coordinate engagement from multiple people. A social media management system (SMMS) can help greatly in this, and the solutions vary from approachable enterprise tools like HootSuite to complex systems such as Radian6 that provide governance for potentially thousands of employees managing local Facebook pages (see the Altimeter Group Report, A Strategy for Managing Social Media Proliferation, January 5, 2012).[x] The key: Understand and anticipate the engagement scenarios you will face when selecting your technology partner and platform.

☐ **Audit regularly for new social media usage.** At this stage, there is usually enough interest in social that different product and geographic groups or departments start their own social media efforts, with or without centralized support or guidance. Conduct regular internal sweeps to learn who within the organization may be initiating social media efforts on their own. In the case of Ford, executives tasked the social media team to conduct an internal audit to uncover all unsanctioned social media efforts around the company, of which there were many.

Stage 4: Formalized — "Organize for Scale"

As social media spreads quickly throughout the organization, groups in departments and business units often act within their own silo, with minimal coordination between them. This increases the gap between social media strategy, executive expectations for business impact, and how other channel initiatives integrate with each other. Worse, it creates a branding gap between the social experiences outside stakeholders have with the company across various groups and desired brand experience as described in the company's style guide.

The result is that the organization ends up invariably presenting itself differently though these social channels without realizing the short- and long-term effects on customer impressions and engagement. Additionally, run-ins are inevitable as

they try to engage the same customer through multiple Facebook, Twitter, and YouTube presences. Or worse, each team assumes the other is on point.

The risk of uncoordinated social initiatives is the main driver moving organizations into Stage 4, where a formalized approach focuses on three key activities:

- **Establish an executive sponsor.** Altimeter found a connection between successful social media strategies and executive sponsorship. This happens in one of the following three ways: 1) Executives in the company proactively raise their hands to empower an internal strategist; 2) An internal social media champion earns the support of an executive sponsor; or 3) An outside agency/consultancy effectively advocates the need to form an initial social business approach. The goal, we learned, is to bring order and create alignment throughout the organization, as well as to decide on which social efforts and technology platforms stay and which ones go. This means that key stakeholders with support from an executive sponsor will officially draft an enterprise-level strategic roadmap that prioritizes what the organization will do over the next few years — and just as importantly, what it will not do.

- **Creating a Hub (aka Center of Excellence).** A frequent outcome of that enterprise social strategy is the need for a Center of Excellence (CoE) that organizes how social strategy, governance, initiative, and technologies are developed and deployed throughout the rest of the organization. The actual organizational model and its scope vary by organization, but gravitate to one of three types — Centralized, Hub & Spoke, and Multiple Hub & Spoke (see Figure 6). Regardless of the actual model, the Formalized Stage requires that this function be officially sanctioned and empowered to set strategy, policy, and process for social activities throughout the organization. Without that authority, the CoE cannot effectively function as the central hub for social activities. To learn more about setting up a CoE, see the Altimeter Group Report, Social Business Readiness, August 31, 2011.[xi]

Fig. 06

Most Companies Organize Around Centralized and Hub and Spoke Models

DECENTRALIZED	CENTRALIZED	HUB & SPOKE	MULTIPLE HUB & SPOKE	HOLISTIC
9.4 %	29.1 %	35.4 %	23.6 %	2.4 %
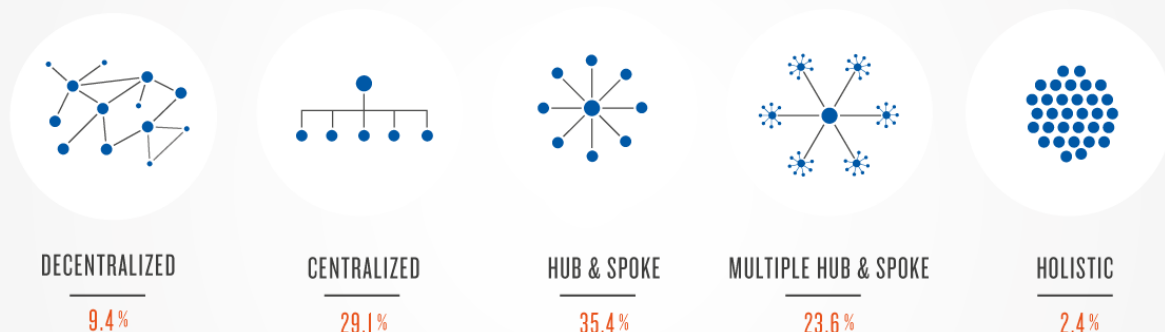
Base: 127 respondents over 1,000 employees
Source: Altimeter Group Survey, Q4 2012

For example, ARAMARK set up clear authority for its CoE right from the start by defining its role in two ways. First, the CoE looked across business units for best practices that the hub could then scale to reduce redundancies for multiple lines of business. Second, the CoE drove communication that exposed gaps occurring across business units. Resources and technologies could then be developed as a shared service and leveraged across the organization.

- **Establishing organization-wide governance.** Up to this stage, governance and organization had been focused on risk mitigation or clear protocol around engagement roles and scenarios. In Stage 4 Formalized, governance focuses on smoothing the way for not only better coordination but also in anticipation of scaling engagement with greater groups of customers and employees. It's the perennial question: "Who owns social media?" There are several questions underlying this query: 1) Who gets to make the decisions? 2) Who carries out the execution based on the context of each situation? 3) Who gets stuck with the social media bill, or how is it divvied up? And 4) Who else is simply kept in the loop? This becomes a critical step especially for companies within regulated industries. While this didn't always appear in our research, Altimeter recommends that this step appears earlier in the process to mitigate risk.

  At ARAMARK, as with many businesses at this stage, it was never clear who was supposed to be doing what, and that had the potential of hurting relationships with end users. A cross-functional social task force, led by Danna Vetter, VP Consumer Strategies at ARAMARK, created a detailed RASCI chart to outline governance, roles, and responsibilities of all executives and key stakeholders across the company.[xii] Vetter shared, "Without getting governance in place, you're never going to get from social what you need."

  At this stage, governance consists also of setting out the policies and processes by which the organization will abide. At Ford, the General Counsel worked closely with the social media team to create playbooks that delineated Ford's standards for social networks and sharing, so that each global market could apply it to its particular local situation. In our research, governance tended to be spelled out specifically five areas (see Figure 7).

Beware the Center of Excellence Pitfall

Throughout the interviews, Altimeter Group learned that although many organizations tend to build the CoE in this stage, the reasons for doing so may create a scaling problem in the long-term. In one of the examples we studied in this research, a sophisticated series of educational programs, policies, and processes, as well as supporting materials including social media playbooks and style guides, were introduced as standard protocol for all employees to learn and follow. This infrastructure, like in so many other examples we reviewed, was developed based on logical, everyday social media best practices rather than to help stakeholders map social media strategies to business objectives and ultimately to capabilities and supporting processes and systems. Essentially, the CoE pitfall becomes the permeation of a social media infrastructure that then requires reassembly later in the maturity path. By basing a CoE and everything it represents on the alignment of social media strategies and business objectives, organizations invest in the development of a solid social business core.

Another challenge facing the CoE is how much the "hub" takes on versus the "spokes" handling things on their own. The balance of building scale versus independence is a constant source of discussion — and exasperation on both sides. In the process of scaling WellPoint's social media hub-and-spoke model, Manager of Social Media Jonathan Blank explained, "The number one limitation to the governance model is getting ideas and adequate information from the business units to understand what programs they can adequately support themselves." In the short term, the CoE may have to bear the burden of doing the work, but it's crucial that there be a long-term strategy in place for the "spoke" to take on that work if social media has any hope of scaling in the future.

Five Components of Social Business Governance

COMPONENT	DESCRIPTION
POLICIES	Delineate what to do or not do with social media, in both professional and personal contexts. This is a good time to revisit policies and guidelines to make sure that they are still valid to meet the demands of enterprise-wide social engagement.
PROCESSES	Define the paths to follow, roles and responsibilities of each person within a process. This includes defining workflows, how communications will work, and also crisis preparedness. Take the existing engagement workflows developed in the Engagement Stage and make sure they work across all departments and business units. Use the opportunity to reduce overlapping workflows and clearly define cross-function responsibilities and ownership.
PLAYBOOK	Create overviews of the "how" to implement and execute social initiatives, usually detailed by business objective and social channel. Includes defining a brand voice and persona style guide to unite all forms of content, presences, and engagement. The playbook should not be centered on industry best practices for each channel. Instead it should be written on how to use each channel to achieve business goals for the group and/or business overall.
TECHNOLOGIES	Rationalize social technology platforms, such as listening/monitoring, measurement, content publishing and assign access and ownership to technology owners. Ensure that everyone is using same the platforms to minimize cost and increase coordination and transparency.
TRAINING	Address the gaps between understanding, actual capabilities and required skills to achieve business goals with tailored courses for different groups, ranging from executives to functional teams – and even front-line employees. Ensure that employees engaged in social media not have the judgment needed to safely engage, but also that they have the confidence to exercise that judgment.

Another pitfall is that the CoE falls into a rut of being the social media help desk, where teams in the spokes may rely on the CoE to answer general "how-to" questions on one extreme to fully developing and executing strategies at every level on the other. The CoE can then fall prey to focusing on executing in social channels and managing tools, rather than being focused on business objectives and impact.

The CoE could then fall into a downward spiral — because business impact is not being shown, budgets grow slowly, and the hub lacks the resources to truly scale as they do not own business outcomes, which typically reside back out at the spokes. To guard against this pitfall, the CoE must from the very start be laser-focused on prioritizing business objectives with the spokes, and making clear who has ultimate responsibility and the resources for strategy versus execution.

To be successful at this stage, follow this checklist of best practices:

☐ **Develop a formal social business organizational model.** There is no perfect organizational model for social business, and it's likely that the model will morph as the social business strategy moves from one maturity stage to the next. The key is to have ONE model and that everyone across the organization understands how roles, responsibilities, and resources work within that model.

☐ **Define the role of the CoE.** It's not enough just to create the CoE — organizations should also actively define the role and responsibilities of this new entity. While the actual responsibilities of the CoE will vary depending

on the organizational model, they typically take on three crucial roles: 1) setting standards for engagement; 2) providing support to those who are looking to employ social media strategies on behalf of the brand; and 3) educating individuals on how to plan, execute, and measure social strategies as they align with business goals. Renee Brown, SVP Director of Social Media at Wells Fargo, shared, "Start with clear roles and a cross-functional team that shares the responsibility of leading into the future. Everyone has to be able to take off the day-to-day hat and work for the broader good."

☐ **Continue to coordinate strategy through the CoE.** Strategy formulation isn't a one-time activity — it must be continually developed, monitored, and optimized. At one organization we interviewed, the CoE was charged with executing social campaigns and initiatives, but strategy formulation was left to each individual business unit. A survey found that the lines of business were struggling with making social a bigger part of their overall strategy and, in particular, integrating it into their current planning and practices. Once the overall social strategy was coordinated by the CoE, the hub could replicate the process over and over again for individual business units, providing expertise and consistency to the process.

☐ **Develop stronger connections to business metrics.** The CoE also plays a crucial role in establishing and communicating the metrics that measure the integration of social strategy into the core business. In addition to business impact metrics, the CoE also is looking at how well social business practices are being adopted, such as the number of people trained and the percentage social media activities that are integrated into existing channel strategies. For more information, see the Altimeter Report, The Social Media ROI Cookbook, July 24, 2012.[xiii]

Stage 5: Strategic — "Becoming a Social Business"

As organizations migrate along the maturity model, the social media initiatives gain greater visibility as they begin to have real business impact. This captures the attention of C-level executives and department heads who see the potential of embracing the tenets of social business — where business acumen and social methodologies technologies become integrated and embedded into functions throughout the organization (see Figure 8).

To make the transition and succeed at Stage 5, activities need to focus on the following:

- **Integrating into all areas of the business.** Altimeter believes that reaching this milestone is a watershed, because it represents a move toward true transformation into a social business.
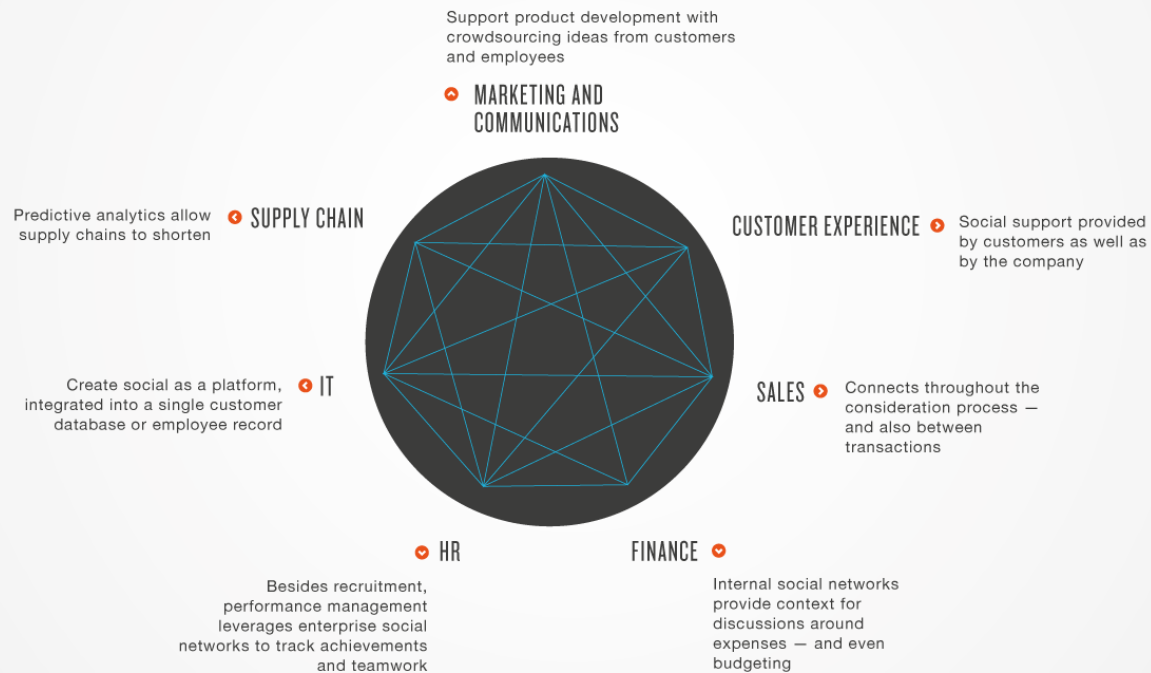
  Because of the focus on driving business outcomes throughout the organization, traditional business metrics make their way into social media measurement frameworks. Businesses were inconsistent in what they measure in our research, but striving for business-caliber metrics in social was consistent across the board at this stage. Referring traffic, click-thru's, conversions, leads, sales, and Net Promoter Score (NPS), among many others, have the ability to reach across functional areas and business units, enabling executives to compare the impact of social efforts on business versus other activities. As a best practice, developing metrics frameworks to measure engagement and business activity and outcomes can and should occur earlier in the maturity stages.

  This is also a time when social technologies themselves begin to trickle into new areas of the business. For example, one finance organization enabled expense reports and budgets to become "social objects" where discussions, edits, and approvals were captured as an aggregated activity stream.

- **Garnering executive engagement.** While executive support is crucial at all stages, in Stage 5, it becomes broader and much more hands-on. At this stage, top executives need to be seen as actively engaged and not just "waving the flag."

Fig. 08

Social Pushes into All Parts of the Business

Support product development with crowdsourcing ideas from customers and employees

○ MARKETING AND COMMUNICATIONS

Predictive analytics allow supply chains to shorten ○ SUPPLY CHAIN

CUSTOMER EXPERIENCE ○ Social support provided by customers as well as by the company

Create social as a platform, integrated into a single customer database or employee record ○ IT

SALES ○ Connects throughout the consideration process — and also between transactions

○ HR
Besides recruitment, performance management leverages enterprise social networks to track achievements and teamwork

FINANCE ○
Internal social networks provide context for discussions around expenses — and even budgeting

Executives become an important stakeholder within social business strategy development as they review goals and objectives and ensure that social strategies are aligned. Additionally, executives are instrumental in granting additional budget and resources to scale strategic social media. At Comcast, SVP of Customer Experience Tom Karinshak shared that the company's social strategy is reviewed regularly by CEO Neil Smit, saying, "In terms of overall strategy, social's tie-in to other channels gets briefed all the way up to Neil Smit, CEO of Comcast Cable. Social is part of our overall strategy to transform the customer experience. This is really a cross-company effort up to senior levels."

At GE, CMO Beth Comstock provides the leadership and also the vision for how social will transform their B2B relationships with customers. On Comstock's approach to social business, Andy Markowitz, Director of Global Digital Strategy at GE, shared, "Beth has forged a vision that not only sees that this is a way to connect with customers, but also more about a way of doing business." And, she also leads by example, with an active Twitter account: @bethcomstock.

- **Forming a steering committee.** While the CoE created in the Formalized Stage manages day-to-day coordination, there also needs to be a group of cross-functional stakeholders tasked with the development and implementation of strategic social media throughout the organization. Responsibilities range from integrating social business best practices into everyday operations to solving for enterprise and departmental-level challenges and aligning business objectives with social media investments.

Members of the steering committee typically involve CoE leads, as well as important functions throughout the organization, including, IT, HR, Sales, Digital, Finance, Business Unit Leads, Marketing, Communications, and Legal/Risk. Some businesses report up to executive sponsorship, while others place an executive directly in the group. Comcast's steering committee, for example, also involves the executive team to ensure that what is being done across different departments best supports overall company goals and business drivers.

Another organization we met with had a small executive committee comprised of the head of website and e-commerce, head of HR, head of marketing, head of communications, senior rep from tech ops group, risk/compliance officer, and someone representing the overall legal community. The group met every other week to specifically deal with larger, enterprise strategy questions that affect the company overall. The key is not the size or complexity of the steering committee, but that it reflects the key stakeholders who hold the resources to make the social business strategy successful — and also have the most to gain from its success.

- **Pushing social operations out to business units.** While a Center of Excellence and the hub-and-spoke model remain in place to provide enterprise-level guidance and training, mini "hubs" begin to develop within each business unit that's focused on supporting social business initiatives specific to that group. Matt Crenshaw, VP of Marketing and Analytics at Discovery Channel, shared that they are moving social team members out of the hub. "We recently took a different look at social and where it sits in the organization. The value of our social team being closer to network digital teams leads to closer relationships with content, producers, and fan bases — this is more powerful than it could be if we were learning in a centralized social team environment."

This "multiple hub-and-spoke" model continues the journey to connect social with business goals by bringing the responsibility for social execution as close to the point of business value creation as possible. Beverly Jackson, the Director of Marketing and Social Media at The Recording Agency, explained how they evolved, saying, "There used to be a CoE in more of a fixed environment, but now it's distributed. This allows for greater flexibility. People now have their specialties that tie social in directly into their work."

To maximize value in the Strategic Stage, here are some additional best practices:

☐ **Engage executives beyond the champion with focused pilots.** While having an executive champion is crucial, it's also important to ensure that executives throughout the leadership team understand and buy into how social will impact their businesses. To get through to them, bring forward the results from pilots that demonstrate how social can meet at least one of their strategic goals — you must put social business into the frame of their business focus. So if launching a key product into a new market is a top priority, demonstrate how social influenced the path to purchase for that customer group.

☐ **Integrate CoE into core business functions.** As social becomes more integrated into the fabric of the business, the social CoE will have to evolve as well. If it was originally placed in a department like Marketing, it will need to develop the expertise to also support functions like HR and IT. For example, in the case of ARAMARK, a taskforce was formed to build an infrastructure that assessed social media's impact at the overall business level, across each line of business, and on key functions such as HR, legal, and finance. As such, the taskforce included representatives from each group to prioritize needs and investments and also to assign resources necessary to integrate social into existing or new initiatives as part of other channel strategies. ARAMARK also earned the support of an executive sponsor. This role oversaw the efforts of the taskforce and also ensured that business objectives were included or considered throughout new developments. Eventually, the role and responsibility of the CoE will shift as the business shifts into becoming a social business.

☐ **Mastering big data for customer intelligence.** Customers' social activities throw off tremendous amounts of unstructured data that is difficult to integrate with multiple structured customer databases within the

company. But being able to harness that data across the organization becomes a capability that is best handled by a company able to leverage it at the enterprise level. Businesses in this stage add the role of a data analyst to the social media hub. This role analyzes data from social channels and translates information into actionable insights for all stakeholders. Eventually, this role expands into a team that's dedicated to assembling data points that lead to adaptive and predictive models that become prominent in Stage 6. Over time, a cross-functional intelligence practice is established as one social analyst doesn't scale based on the data opportunity and its potential impact on the entire organization. Instead, that team can help analysts in other BUs provide context for the data. This is going to be a situation in which social has a seat at the table but is not driving the process.

☐ **Leverage the enterprise social networking platform.** Your early investment in an ESN will begin to pay off as you take extend core capabilities in social from marketing, communications, and support as best practices into other departments. Pushing social into business units and geographic groups becomes much easier when the people can turn to each other for support through these existing social bonds. Here, successful businesses have established the objectives of the social business inside and out and are operating under a common direction and goals. An ESN now becomes a social network that improves engagement around those objectives. And cross-functional collaboration now ensures cohesion across social channels, lines of businesses, and functions to deliver a holistic experience to connected customers.

Stage 6: Converged — "Business Is Social"

Becoming a social business is as aspirational as it is functional. It's a way of business. At the same time, embracing social media does not create a social business. But social media contributes to the migration of a business into becoming a more social entity. As a result of the cross-functional and executive support, social business strategies start to weave into the fabric of an evolving organization.

Organizations moving into this stage are driven by a vision that articulates how social media and digital overall improves customer and employee relationships and experiences. As a result, the steering committee and executive sponsor broaden their focus to explore how to converge social with all points of contact and communication.

No company we spoke with felt that they were at this stage, but many aspire to it and stake their strategy on attaining convergence. Andy Markowitz, Director of Global Digital Strategy at GE, described this mindset, saying, "I don't like the word 'social' because all marketing is social. We are using technology to solve a business problem. I prefer to think of it as digital and holistic. "

To move into this stage, organizations need to make a commitment in the following areas:

- **A single business strategy process.** When social is converged, there is no separate social business strategy — there is just one strategy, one set of business objectives and outcomes. At Dell, Vice President of Marketing Allison Dew works closely with business unit leaders to understand their key initiatives for the next two years. These leaders are then asked to build social efforts directly into their strategies from the start, and then come together to coordinate. Liz Brown, Dell's Social Media & Community Director, observed, "This took several months to build and put into place. It also took the support of [CEO] Michael Dell and the executive leadership team to ensure that they understood what we were trying to do as a company." The result: While Dell still has uneven understanding of social across its leadership and business units, having social business built into the business planning process ensures that it is at least on the radar of every single executive.

- **Merging social with digital.** Organizations at this stage expand their focus beyond social to tackle and integrate with other strategic efforts, such as digital, mobile, and big data. For example, Sephora originally

broke out its social team with its own dedicated writers and designers. But as social became more important strategically, it was brought back into the digital marketing team where it is now integrated for better coordination on initiatives like enabling in-store customer engagement on mobile devices. Julie Bornstein, SVP of Digital at Sephora, explained, "Because Social lives in Digital, it's a priority. We have project management teams to support social media, as well as existing management engagement from Merchandising, Creative Services, Technology, and Operations."

- **Creating holistic customer experiences with converged media.** Advertising, marketing, customer service, and sales employ a converged approach that integrates paid, owned, and earned (POE) media to deliver a seamless and complementary experience across all digital and real-world channels (see the Altimeter Group Report, Converged Media, July 2012).[xiv] It is in this stage that businesses rethink customer experiences and redefine what those experiences should be within each channel and across channels. Martha Hayward, VP of Social Media at Fidelity, shared, "We talk about the value of social as a way to build relationships with customers across their lifecycle with us. It can be a way to share valuable educational content, to amplify campaign-level marketing messages, or to respond to service inquiries. We listen first to what customers need and then use social, together with other channels, to provide an excellent customer experience regardless of how they choose to interact with us."

- **Develop a holistic social culture.** At this stage, social technologies and methodologies have faded into the background, and with it, the distinction that social is special or different. It's simply the way you get work done, functioning much like the telephone. In a conversation with Evan Greene, CMO of The Recording Academy, he shared that the organization's digital strategy is becoming second nature, as it is baked into every process. "Digital media is part of the Grammy's DNA. Every action it takes, it is thinking about the conversation — both in social and other media."

While this maturity stage may seem far off, having an idea of where you will end up can be used even at the early Planning Stage to set a strategic vision. Some best practices you should adopt include.

- ☐ **Redefine the company's vision to integrate social.** We heard over and over again from senior executives that they believed that social — along with mobile, content, and other technologies — would come together to create new customer experiences and new ways for organizations to get work done. In addition to guiding the strategy process, integrating social should become a constant refrain heard in everyday conversation.

- ☐ **Align incentives around convergence.** To ensure that executives are aligned at this stage, create incentives for key members of the steering committee to adapt business processes, identify investments in resources and technology, and cascade the vision throughout the company and to the front line. By making the deep integration of social a priority, the company will see impact not only on key business metric but also reduce redundant and inefficient processes.

- ☐ **Redefine the role of the social CoE.** As social becomes deeply integrated and converged with the entire organization, the Center of Excellence will play increasingly smaller roles, to the point where it may even be dismantled. A small team may remain, solely to conduct pilots and provide coordination around converging the newest technologies. But planning, strategy, and analysis should all shift into existing core business operations.

Success Factors of a Social Business Strategy

The following seven success factors are common elements that extend across all social business maturity stages and are deeply integrated into business vision across the enterprise (see Figure 9). Organizations that master these elements will be able to fully maximize business value potential, regardless of which stage they are in.

Fig. 09

Success Factors of a Social Business Strategy

TECHNOLOGY SELECTION
ONLY AFTER STRATEGY IS SET

STAFFING

PROCESS DISCIPLINE
AND ONGOING EDUCATION

BUSINESS GOAL
DEFINITION

LONG-TERM VISION
TO BECOME A
SOCIAL BUSINESS
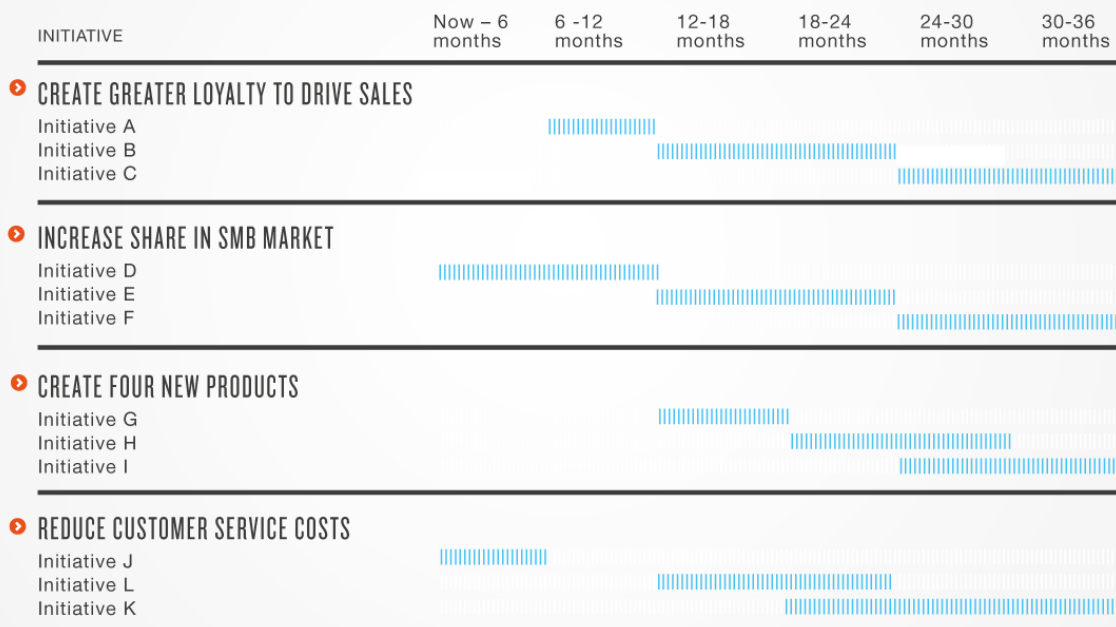
KEY EXECUTIVE
SUPPORT

INITIATE ROADMAP

1. **Business goal definition.** The biggest cause of social strategy failure was the lack of alignment around business objectives. Businesses that uncover the gap between business objectives, social media strategies, and internal challenges and opportunities will open dialogue that both closes the gaps and creates alignment in the process. "Always go back to the objectives you're after," advised David Fenech, Vice President, Interactive Marketing & Creative Services, for Kelly Services. "If you lose sight of that, you'll be wasting time and resources quickly." Starting off on the right foot means defining which business goals take priority up front.[xv]

2. **Long-term vision for becoming a social business.** It's not enough just to have goals in place — you also need to have a long-term vision that communicates to all stakeholders why this journey is taking place. The vision articulates the future customer, employee, and stakeholder relationships and experiences that will come about as a result of the social strategy. Properly done, the vision statement for the social business strategy becomes a center point for alignment. Ford's first social strategist, Scott Monty, formulated a vision statement shortly after his arrival in 2009. It reads, "To humanize the company by connecting constituents with Ford employees and with each other when possible, providing value in the process." This statement articulates the purpose and direction of the social strategy, which is a requirement not only at this stage but also in all future stages.

3. **Key executive support.** Executives become an important stakeholder within social business strategy development and are instrumental in granting additional budget and resources to scale strategic social media.

Depending on the scale and scope of your strategy, the level of executive engagement in the early stages may be minimal, likely even just a passing awareness that social efforts are being explored. VP Consumer Strategies for ARAMARK Danna Vetter shared this best practice: "Get all stakeholders involved from the beginning, and make them as knowledgeable as possible. Let them take ownership. … Remember: it's a change management challenge as much as anything else."

4. **Initiative roadmap.** The prioritization of social initiatives — what you will do, but just as importantly, what you won't do — lies at the heart of the roadmap. Less than half of the organizations surveyed said that they have a detailed roadmap in place that extends for longer than a year. In an examination of social media plans, Altimeter found that most consisted of a series of campaigns organized by channel (Facebook, Twitter, YouTube, blogs, etc.), usually laid out for the next 6-12 months. Absent was: 1) how these initiatives created business value; 2) long-term planning on what needed to be developed and invested in today to enable strategic activities in the future; and 3) an iterative process to re-evaluate if the initiatives need to be revised to address changing business objectives or marketing conditions. Below is an example of a hypothetical roadmap that lays out the business goals and the initiatives that will support that goal over three years, in six-month increments (see Figure 10).

Fig.10

Example Social Business Strategy Initiative Roadmap

INITIATIVE	Now – 6 months	6 -12 months	12-18 months	18-24 months	24-30 months	30-36 months
CREATE GREATER LOYALTY TO DRIVE SALES						
Initiative A		‖‖‖‖‖‖				
Initiative B			‖‖‖‖‖‖‖‖			
Initiative C					‖‖‖‖‖‖‖	
INCREASE SHARE IN SMB MARKET						
Initiative D	‖‖‖‖‖‖‖‖					
Initiative E			‖‖‖‖‖‖			
Initiative F					‖‖‖‖‖‖‖	
CREATE FOUR NEW PRODUCTS						
Initiative G			‖‖‖‖			
Initiative H				‖‖‖‖‖		
Initiative I					‖‖‖‖‖‖	
REDUCE CUSTOMER SERVICE COSTS						
Initiative J		‖‖‖‖				
Initiative L				‖‖‖‖‖‖		
Initiative K					‖‖‖‖‖‖	

5. **Process discipline and ongoing education.** The reality is that many organizations have an ad hoc approach to managing social media, with most of the knowledge residing in one or a small number of people. But as the organization matures into a social business, creating clear processes and instilling discipline become key criteria for success. At H&R Block, a tax preparation company, the social media team created a triage map that lays out how the organization will listen and monitor, assess, engage, and then listen for results.

   A key part of this success factor is also ensuring that training is available based on performance as tied to business objectives. At Dell, education has been a priority for the past three years, resulting in 7,550 "social media certified" employees. These employees have been trained on how to use social media monitoring tools so that they can incorporate the voice of the customers into their daily work. And of those employees, 2,318 are trained to monitor social channels using Radian 6 on behalf of Dell, enabling the organization to truly scale into being a social business.

6. **Staffing.** Related to the question of how to organize for social media is how to get the right people on that core team. In earlier stages of maturity, organizations may be still in planning mode or amplifying existing marketing efforts where internal skills and capabilities may be limited. During such times, it makes sense to outsource to an agency. But over time, it's crucial to develop internal capabilities, especially to lead strategy and create internal alignment. We found that organizations tended to increase their full-time equivalent staffing of their social teams over time. Julie Bornstein, SVP of Digital for Sephora, advised, "Invest in people and resources to make sure it's not a one-time hit."

7. **Technology selection only after strategy is set.** Given the pace of technology innovation and the volume of vendor marketing, it's tempting to jump immediately into technology selection and implementation quickly. However, doing so without a strategy, roadmap, and organization in place is ill-advised — you may get stuck with a listening platform or social media management system that either doesn't meet your needs or that you will quickly outgrow.

Ecosystem Input

This report includes input from market influencers who were interviewed by Altimeter Group during the course of this research. Input into this document does not represent a complete endorsement of the report by the companies listed below.

Brands (26)

Adobe, Ann Lewnes, Chief Marketing Officer
Adobe, Maria Poveromo, Sr. Director of PR, AR & Social Media
Aetna, Dan Brostek, Head of Social and Mobile
ARAMARK, Danna Vetter, VP Consumer Strategies
Comcast, Tom Karinshak, SVP Customer Experience
Comcast, Kip Wetzel, Senior Director of Social Media Service and Strategy
Dell, Liz Bullock, Director, Social Media and Community
Dell, Rishi Dave, Executive Director, Digital Marketing
Discovery Channel, Matt Crenshaw, VP of Marketing & Analytics
Discovery Channel, Doug Seybert, SVP of Marketing
Fidelity Investments, Martha Hayward, VP of Social Media
Fidelity Investments, Lori Johnson, VP of Online Strategy
Ford, Jim Farley, Executive Vice President of Global Marketing, Sales and Service and Lincoln
Ford, Scott Monty, Global Head of Social Media
GE, Andy Markowitz, Director of Global Digital Strategy
Kelly Services, Carl Camden, CEO
Kelly Services, David Fenech, Vice President, Interactive Marketing & Creative Services
Royal Dutch Shell, Don Bulmer, VP of Communication Strategy
The Recording Academy, Evan Greene, CMO
The Recording Academy, Beverly Jackson, Senior Director of Marketing, Strategic Alliances and Social Media
Sephora, Julie Bornstein, SVP of Digital
Sephora, Bridget Dolan, VP of Interactive Media
WellPoint, Jonathan Blank, Manager of Social Media
WellPoint, Kate Quinn, VP of Marketing
Wells Fargo, Renee Brown, CMO
Wells Fargo, Edward Terpening, VP of Social Media Strategy (former)

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Altimeter Group Advisory Services

In addition to research, Altimeter also provides advisory and consulting to companies on their social business strategy, including the following services:

- Creating a social business strategy that aligns with business goals
- Assessing social media readiness audit and identify key gaps requiring investment
- Determining social media organizational structure and governance
- Establishing a center of excellence
- Creating strategies for social media listening, monitoring, and analytics
- Reviewing social media risk management and policies
- Creating social media training and education programs for executives, marketers, and employees
- Creating a content marketing strategy

Endnotes

[i] For this report, Altimeter focuses on social strategies at large enterprise companies with more than 1,000 employees. Additional data cuts of the survey are available at altimetergroup.com/research/reports/social-business-strategy.

[ii] See The CMO Survey, August 2012, page 34. (http://cmosurvey.org/files/2012/08/The_CMO_Survey_Highlights_and_Insights_August-2012-Final.pdf).

[iii] Owyang, Jeremiah. Social Business Readiness: How Advanced Companies Prepare Internally. Altimeter Group, August 31, 2011. http://www.altimetergroup.com/research/reports/social-business-readiness.

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[v] Lieb, Rebecca and Jeremiah Owyang. The Converged Media Imperative: How Brands Will Combine Paid, Owned, and Earned Media. Altimeter Group. Altimeter Group, July 19, 2012. http://www.altimetergroup.com/research/reports/how-brands-will-combine-paid-owned-and-earned-media.

[vi] Aetna CEO Mark T. Bertolini's twitter handle: @mtbert.

[vii] Base of 110 respondents with more than 1,000 employees. Source: Altimeter Group Social Business Survey, Q4 2012.

[viii] Li, Charlene. Making the Business Case for Enterprise Social Networks. Altimeter Group, Feb. 22, 2012. http://www.altimetergroup.com/research/reports/making-the-business-case-for-enterprise-social-networks.

[ix] US Air Force blog triage map, as referenced in Jeremiah Owyang's blog: http://www.web-strategist.com/blog/2008/12/31/diagram-how-the-air-force-response-to-blogs/.

[x] Owyang, Jeremiah. A Strategy for Managing Social Media Proliferation. Altimeter Group, January 5, 2012. http://www.altimetergroup.com/research/reports/astrategy-for-managing-social-media-proliferation.

[xi] Owyang. Social Business Readiness.

[xii] A RACI chart describes the roles, responsibilities, and expectations of all team members involved, specifically those who are Responsible, Accountable, Consulted, and Informed.

[xiii] For more detail, see Etlinger, Susan. The Social Media ROI Cookbook. July 24, 2012. http://www.altimetergroup.com/research/reports/thesocial-media-roi-cookbook.

[xiv] Lieb. The Converged Media Imperative.

[xv] Business goals and objectives exist at multiple levels in the organization — at the enterprise level, within business units, and also inside departments and teams. In the absence of business goals, it's sometimes better to hold off until they are defined and consensus is earned. In one such case, a national organization aimed to bring social media from the enterprise level to each physical branch. The goal was to scale social media as a matter of better serving to local customers. To extend social media from a core hub to branches around the country required a significant investment in training and resources. Although the idea had merit, it was not clearly tied to business objectives and metrics because the company's overall local strategy was in a state of flux. As a result, the team couldn't earn internal support or alignment. The result: The organization put local social initiatives on hold but proceeded to execute on an enterprise strategy.

About Us

Charlene Li, Altimeter Founder and Partner, Analyst

Charlene Li (@charleneli) is Founder of the Altimeter Group and the author of the New York Times bestseller, *Open Leadership*. She is also the coauthor of the critically acclaimed, bestselling book *Groundswell*, which was named one of the best business books in 2008. She is one of the foremost experts on social media and technologies and a consultant and independent thought leader on leadership, strategy, social technologies, interactive media, and marketing.

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Brian Solis (@briansolis) is a principal analyst at Altimeter Group. He is also an award-winning author, prominent blogger, and keynote speaker. Solis works with enterprise organizations and technology vendors to research the state and direction of markets, competitors, and customer behavior. Through the use of proven frameworks and best practices, Solis analyzes trends, opportunities, capabilities, and areas for improvement to align new media initiatives with business priorities.

Jaimy Szymanski, Researcher

Jaimy Szymanski (@jaimy_marie) is a Researcher with Altimeter Group where she researches and analyzes how organizations can effectively utilize social media and other disruptive technologies to achieve business advantage. She has experience working in business consulting, content marketing, and social media research and advisory roles.

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Disclaimer

Altimeter Group provides research and advisory for companies challenged by business disruptions, enabling them to pursue new opportunities and business models.

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