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Point of View

Strategy and the Social Enterprise

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What if you and your colleagues had a Facebook-like environment to share information and collaborate? Could such a community improve engagement with the organisation's strategy? Could it transform communications and culture?

In this article, we consider how online employee communities tackle some of the biggest strategy execution challenges. We provide examples from the multinational telecom giant Telefónica, where strategy discussions online have created a cultural transformation offline.

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What is an Online Employee Community?

What defines a community? Unlike a social network, which simply connects people, a community is defined by some common goal. The ultimate goal of an employee community is to achieve the strategic vision and objectives of the company. By viewing the organisation as an employee community, we can take a fresh look at some of the biggest challenges in strategy execution – in particular, strategy communications.

Online employee communities are now widespread, especially in large global organisations where internal communication and collaboration is a challenge. Large vendors (e.g., Microsoft/Yammer, IBM, TIBCO, Salesforce.com) are pushing online community platforms and bringing social and community features behind the walls of the enterprise, embedding private, Facebook-type platforms into enterprise software.

Employee communication technology is good and getting better, but it doesn't usually take off as easily in a work environment as it does in public. Employees are often reluctant to switch from email, where the 'to' box provides psychological comfort: you know exactly who the recipient is. When an employee posts on company forums, in contrast, the information is publicly available – but this public posting is what makes community collaboration so powerful.

'Working out loud' is a big cultural shift for employees, and not all companies are succeeding with their online employee community initiatives. But for those who can make the shift, the results are substantial. Knowledge can be exchanged quickly and easily, and it remains available for search. A few large organisations (such as IBM) have collaborated via employee forums for decades, and other advanced technology companies (such as Bosch, Corning, T-Mobile and Telefónica) are now deep into their social enterprise transformations.

The advantage of more open social communications is that more information – by default – will be available to everyone in the company via search and through integrated knowledge management systems. The open conversations allow others across the enterprise to discover and contribute, enabling solution crowdsourcing. You can find the information you need, but just as importantly, you also find a person tied to that information.

Concrete benefits include:

- Better meetings through pre- and post-meeting discussions
- Better knowledge management
- Generating more ideas
- Process improvements (especially overcoming communication bottlenecks); and
- Faster problem solving.

Telefónica's Yammer Community

Telefónica relaunched their online employee community in 2013 using Microsoft's Yammer platform. This launch is particularly interesting from a strategy management perspective, since the community initiative came about to demonstrate to employees that Telefónica's executives were serious about executing a digital transformation strategy. Leaders were eager to demonstrate that the company could also transform internally.

The Telefónica network launch started from the top, and only senior managers were invited to a private group in advance of a strategy summit. Telefónica Chairman César Alierta explained

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the Yammer launch in his invite:

> 'This message stands as proof that in Telefónica, change is real. Just a year ago no-one could have imagined that the next management meeting would be convened on a social network.'

Over 89,000 of Telefónica's 125,000 employees now have accounts on the enterprise social network, and there are more than 550 active groups. Community Manager Luz Rodrigo Martorell says that the network solves many operational problems. In particular, employees from different departments work together to solve problems quickly. In the process, people make connections that they wouldn't otherwise, and the culture of collaboration improves:

> 'People from different business units and countries (silos in the past) cooperate to solve problems. Often problems that would have taken days are solved in a few minutes.

> 'People thank each other in public, reinforcing the behaviour.'

Strategy Communications in an Online Community

As employee communities get launched and gain traction, managers from across the organisation take notice and wonder, 'Can I use this network to solve my problems?' The strategy manager, for example, naturally imagines sharing and discussing the strategy over the employee community network. Especially in large organisations, communicating the strategy effectively is a huge challenge, and they are always looking for ways to tell the story of the strategy in a fun, memorable way.

Most of the traditional methods for communicating strategy are static and one-way – hanging a poster with the company mission in the lobby, for example. There is no opportunity for the employee to respond or interact. Telefónica has a history of looking for innovative and interactive approaches to communicate strategy. While working with Palladium, they once created a strategy board game!

Figure 1: Telefónica's COO leads a discussion on quarterly results

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Social media's two-way, actionable and measurable features (viewing, liking, sharing and commenting) are perfect for strategy communications. Imagine how powerful it is for strategy managers to know how many employees viewed, liked, or commented on the strategy map. The link between strategy communications and actions mimics the way social media marketers measure the migration of awareness.

Beyond communicating strategy, online discussions about strategy can improve other elements of the strategy management system. We highlight two specific examples below.

Better Strategy Review Meetings
One of the most common mistakes in the strategy management process is failing to optimise strategy review meetings. As with any meeting, the meeting is most effective when the agenda is set in advance and participants come to the meeting prepared. Focus is particularly important, to keep the conversation from drifting into operational issues. By starting the discussion online in advance, the meeting itself can be much more fruitful. After the meeting, output and next steps can be posted in the forums for easy reference and collaboration.

Figure 2: Sample targets for strategy communication mimic social media measures

Telefónica thought specifically about the effectiveness of their strategy meeting (which they called their 'Summit'), and the first goal of their Yammer network was to improve the summit output. According to Luz, relaunching the employee network together with the Summit was a great success:

> 'The Summit was going to be used to launch the strategic programme, but it became something else. Executives walked the talk. They were expected to be proactive, innovative, disruptive and digital. Instead of being passive recipients of a corporate strategy, they crowdsourced.'

By positioning the employee network as a critical enabler of the strategy, Telefónica avoided scepticism about the value of the online community – a frequent response in other situations.

Tightening the Link between Strategy and Operations
Have you ever seen a five-year-old try to click on a picture in a magazine? She expects everything to be interactive – and in many ways, so do we. As consumers, it may be clicking on an online advertisement and making a purchase then and there. As employees, we want to react as soon as we learn about a new strategic initiative, whether that's signing up to help or voicing our concerns or suggestions.

When community managers work with strategy managers, they can make the link between strategy communications and operational action (figuratively and literally). For examples, employees should be able to join online groups for strategic initiatives. The best results come when senior managers are open about the company's challenges. Imagine an executive asking, 'How can we achieve strategic objective X?' When these questions become part of the culture and suggestions can be acted on (through hyperlinks to documents, or through subgroups on related initiatives), there will be a measurable boost to the strategy process. These discussions help executives tune their message to employees and get to the real drivers of engagement.

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Leadership & Engagement: Online & Offline

Community managers and strategy managers need to talk! Together they can solve their common engagement problem and foster better leadership of both the strategy and the employee community.

Executive participation is key for community success. Even a 'like' by an executive on a comment demonstrates that she is at least listening to the conversation. Employees notice the presence of executives, which drives community engagement and can even improve the overall organisational culture.

Similarly, for strategy managers, leadership and engagement are key challenges, though the context differs. Leadership of strategy execution (not just strategy creation) is critical. Rob Held, Regional Director for North America Strategy Execution Consulting at Palladium, writes:

> 'Though junior resources can and usually should perform much of the legwork, the spokesperson for implementation [of the strategy] ought to be someone whose position in the organisation commands respect….As a rule, the success of the process relies on the explicit, not merely complicit, support of senior leadership.'[1]

Engagement with the strategy means more than just an ability to recite the corporate mission and strategy (though that's a good start). Gallup polls show a mere third of US workers are actively engaged.[2] If strategy managers can make an impact on this engagement level, surely the company's objectives will be easier to achieve.

What happens when community managers and strategy managers join forces to address their common challenges? At Telefónica, says Luz:

> 'The Strategy Office is mainly involved [in the online community] for one purpose: being the enterprise social executive sponsors…They know it is their way to contribute to the company's cultural and digital transformation.
>
> 'Whenever an activity involving the COO or the President is organised, for instance the Q&A session on yearly results, we (Global Internal Comms) put the questions in order, classify them by topic [for discussions on Yammer].
>
> 'Leadership is a conversation. The COO uses the tool whenever he needs to get feedback and direct contact with employees or to support initiatives.'

When executives lead strategy discussions on the online community platform, both kinds of engagement – community engagement and engagement with the strategy – increase. In the process, the company culture can transform. Says Luz:

> 'People start understanding that intelligent altruism contributes to personal success, and that of the whole company.'

Telefónica Spain's CEO Luis Miguel Gilpérez agrees:

> 'It allows us to remove layers and levels. It forms part of this cultural change we are undertaking, and I want to transmit this spirit, this way of thinking.'

[1] For further reading, see *12 Common Strategy Execution Mistakes – And What You Can Do to Avoid Them*.
[2] Gallup, *Majority of U.S. Employees Not Engaged Despite Gains in 2014*.

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Next Steps: Agile Strategy Execution

Once organisations have a buzzing online community, they have the option to move decision making further down into the organisation. According to Luz:

> 'The 2015 Summit was open to all employees, with all sessions streamed. This had never happened before, as the Summit used to be a private exclusive event.
>
> 'The Yammer debates are open for all employees, not only for executives. We are looking for more transparency and participation.… It is a milestone in our company.'

This evolution can help organisations avoid the common blunder of limiting discussions of strategy to the usual cast of characters and instead cultivate a well-rounded discussion with diverse viewpoints from across the organisation. Rob Held writes:

> 'Organisations that keep discussions of strategy to the rarefied few – usually the executive leadership team alone – are missing out.… The smartest organisations will embrace the dissonant voice and the unusual opinion and welcome their input, not disregard it for contradicting inherited wisdom.'[3]

Perhaps the biggest transformation – adding speed and agility to the strategy management process itself – is still coming for Telefónica. Says Luz:

> 'You start seeing that social starts having an impact in decision making, but we are only at the early stages.'

[3]For further reading, see *12 Common Strategy Execution Mistakes – And What You Can Do to Avoid Them*.

Conclusion

Social technologies in the enterprise are evolving rapidly. Microsoft and start-ups like Slack are creating new messaging solutions and social-email hybrids like Outlook Groups. Similarly, project management software, document management software, CRM software, etc., are all being enhanced with social capabilities.

Social features in the enterprise, however, do not always add up to an employee community. Ideally, the employee community is an online space that is open to all employees. This space should be the online manifestation of a company conference – only this conference continues 24 hours a day, 365 days a year.

Posting to an open company forum is a significant behavioural change, which is why online activity can be slow at first. However, the promise is great. If executives can lead strategy discussions in the right way, employee engagement will increase, and other strategy execution challenges can be tackled too.

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About the Author

Adam Zawel is a successful business community manager and an expert at member engagement and social business processes. Adam is community manager for Palladium's branded customer community (XPC), where strategy practitioners from over 2,000 organisations discuss strategy execution challenges and the realisation of positive impact.

Adam has worked for Palladium since 2009. Prior to joining Palladium, he was Chief Collaboration Officer for INMobile, where he built and nurtured a vibrant community for mobile and telecommunications executives. He is also founder of Network Activator, social business software for online community managers.

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