



Application Modernization and Outsourcing

The Adoption of Social Computing in the Enterprise

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White Paper

Executive Summary

Invention, Innovation and Evolution are fundamental to the success of any enterprise. Rapid advances in social computing technology are changing the fabric of communication and information sharing. We now find ourselves at the advent of a new wave of corporate productivity that bubbles up from the bottom. It's being driven by the power of billions of networked people who are accelerating advancements in innovation and productivity through their own technology. Unlike others this evolution is neither subtle nor slow; organizations must move quickly to integrate these changes into their business strategy and goals. Are enterprises prepared to meet the change that is coursing through the industry and marketplace?

This paper highlights the various phases in the adoption of social computing within the enterprise. It attempts to provide a peek into the future of social computing and outline the benefits that organizations will reap by integrating social computing technologies with their core applications.

Consumerization of IT

Along with cloud computing and next generation mobile computing, social computing is perhaps one of the top three most disruptive technologies making its way into the enterprise. It is disruptive because it has the potential to radically change how business is done. It changes our notions about traditional workforce collaboration and productivity as well as how we interact with customers and partners. In fact, according to Bill Gates, "social networking-type applications will become as ubiquitous in the workplace as Microsoft Office tools and will likely replace e-mail as the dominant medium of corporate communications". The fact that Facebook has 400 million users, only 100 million less than Microsoft Office, explains the ease with which the phenomena is penetrating the community. It is but natural that these interactions will move from the personal space into the work place.

The business drivers for use of social computing in the enterprise are many. Firstly, there is the consumerization of IT effect where younger knowledge workers are bringing to work their own consumer devices equipped with social computing features and functions that are part of their everyday lives. *A recent Unisys and IDC global study on the consumerization of IT found that the average respondent now uses four devices for work and that the adoption rates for new devices and

applications are accelerating at a surprising pace. The study reveals that the number of information workers in enterprises with 500 employees or more using smart phones will grow from 90 million in 2009 to 160 million in 2014 and the use of social networks by these workers will also double over the same time period. The number of business interactions will grow four-fold from 3.5 trillion in 2010 to 12.7 trillion in 2013. The onus now is clearly on IT departments to determine the best way to leverage these devices and applications and find a middle-ground between worker productivity and expectations and device and application manageability.

Another key factor that tips the scales in favor of social computing is the collaborative and productivity benefits from connecting employees, customers and partners into business-oriented social networks. It enables users to build new bridges across human communication and provide non redundant information. This open model achieves great economies of scale and has found traction in many disciplines from "open source" to "open design" to "open innovation".

As with any emerging technology finding its way into the enterprise, there are a number of key stages in its evolution from an early innovation, often in a non-enterprise setting, to a mature enterprise-class capability. The challenge for CIOs is to recognize potential enterprise value in these emerging trends and technologies, understand where they are in terms of their market evolution, and then determine where and how to best apply them within their enterprise for maximum business value.

The Technology Adaptation Lifecycle

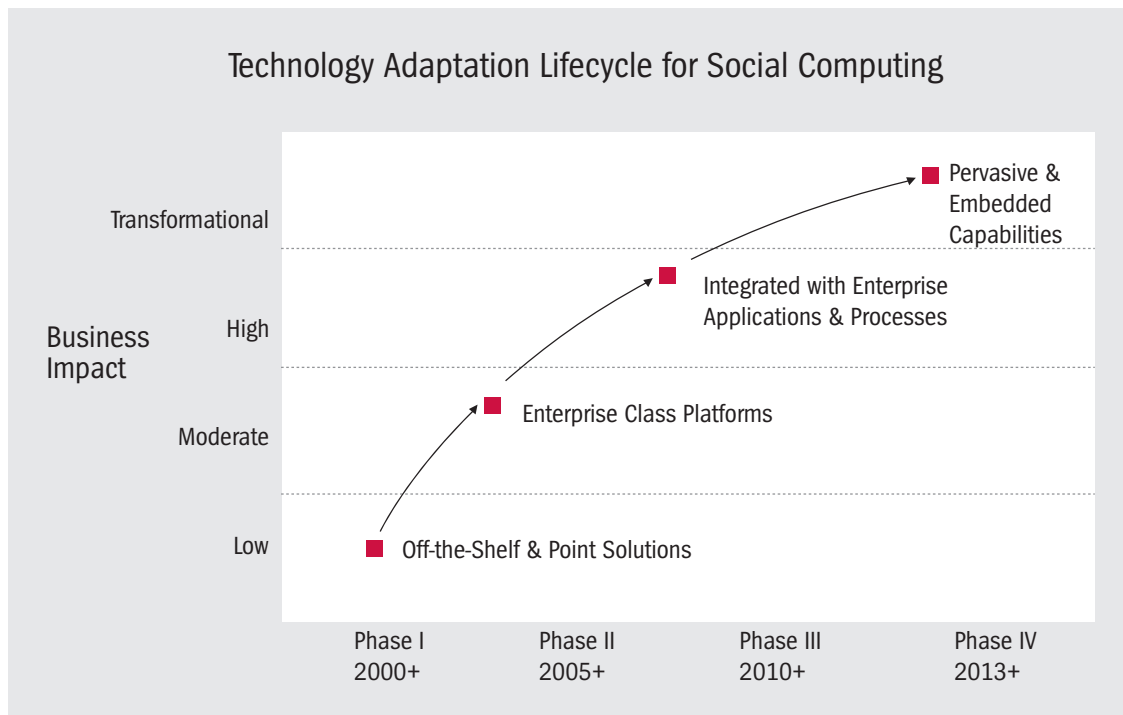
The adoption of social computing in the enterprise may well occur in four distinct phases over time - although some of these phases may occur simultaneously. This adoption has to do not only with the more common technology adoption lifecycle, but also with what we might term the technology adaptation lifecycle. The technology adoption lifecycle looks at how the overall market adopts emerging technology from the pioneers and early adopters, to the early and late mainstream, and finally to laggards. The technology adaptation lifecycle, as we'll call it, on the other hand has to do with how a single enterprise adapts an emerging technology to fit the needs of their business and how the market adapts the technology over time to fit these needs as well.

The first phase of the model is when the technology is used almost “as-is” or “off-the-shelf”, with little adaptation, and is largely based on products from the consumer world. The second phase is when enterprise-class software products emerge that are true platforms with multiple social computing features and functions built-in for a more robust product. Again these products, or services in the case of software-as-a-service offerings, may be used “off-the-shelf” and in standalone settings. However, the value provided is higher, since the market has fine-tuned the technology for established business needs and common enterprise scenarios. The third phase is when these enterprise software products are integrated into core business applications and processes as opposed to, or in addition to, being used in generic collaborative deployments. Finally, the fourth phase is when the technology becomes an integral part of the business, i.e., it is ubiquitous and essential and has found its way into most enterprise software. It becomes almost transparent to the end-user since it is so deeply embedded within the enterprise both technically and from a standard business process standpoint.

A close analysis of each of these four phases of adaptation provides some important insights into the future of social computing and what kinds of deployments could be prevalent in the enterprise in the next few years.

Phase I – Off the Shelf and Point Solutions

Today’s use of social computing in the enterprise is very similar to the use cases we know so well from the consumer world. Enterprises have adopted platforms such as Facebook and Twitter, without any modifications, in order to better connect with customers and build their social networks. Enterprises are also deploying point solutions around social computing inside their business such as micro-blogs, blogs and wikis for various communication and collaboration functions. The corporate use of Yammer as an internal Twitter-like capability is a good example as well.



Phase II – Enterprise Class Platforms

As the market matures and we see the emergence of more social computing platforms, such as Jive, Newsgator, SocialText, and Telligent, with a full suite of social software functionality. CIOs can start to think about deploying this technology more strategically across their organizations. Some of the early implementations have been around enhancing knowledge management portals with social computing features for improved collaboration and greater connectivity and interaction with target audiences or around enhancing customer support channels and processes. Other implementations have focused on using the technology to improve innovation processes and to provide more mechanisms for the capture and sharing of ideas. These types of deployments are mostly permanent applications, but can also be applied for event-based purposes such as supporting disaster relief efforts for the Federal government or for corporate events and campaigns.

Phase III – Integration with Enterprise Applications and Processes

The next area of opportunity for the CIO and application portfolio manager is to use social computing to enhance their existing enterprise applications and processes. This is particularly true for legacy applications with limited collaborative features. Social computing is not suitable for all applications, and should be considered a tool in the toolbox along with other enablers such as mobile computing. However certain applications may be well suited to leverage collaborative technologies. For example, improving collaboration among knowledge workers or case workers with the help of social computing technology can significantly reduce transactional cycle times within legacy systems such as welfare applications. Using social computing platforms to connect airlines and travel agents enhances real-time decision making and improves sales. In each of these cases, the organization can seamlessly integrate social computing functionality into its core business applications and processes. When compared to more manual and less-collaborative approaches this method definitely provides greater benefit in terms of speeding up cycle times and allowing for quicker real time decision making and increasing profitability.

Furthermore, the third phase presents a real opportunity for CIOs to address a long-standing problem with transactional business applications. Generally these applications are custom built, and provide tremendous process efficiency for standard transactions; however, they often come to a complete standstill when exceptions arise. In this case, information workers regularly have to resort to resolving these exceptions with manual and time-intensive processes such as face-to-face meetings, phone calls and faxes. By integrating social computing capabilities directly into these applications, at the user interface level, these same knowledge workers can resolve exceptions far more seamlessly and tap into a far-greater resource pool for problem resolution.

Phase IV – Pervasive and Embedded Capabilities

As social computing technology matures, it may well find its way into a large number of enterprise applications as a built-in feature. When this occurs, perhaps three or more years after the initial wave of specialized platforms, the CIO can start to make decisions about which applications should use the native social computing functionality from the software provider and which should be augmented with enterprise platform functionality. In this instance, the same application portfolio management techniques that help the CIO decide which applications to social-enable, can also be utilized to make these native versus integrated decisions.

Exploiting IT for Productivity and Innovation

Social computing technology enables users to build new bridges across human collaboration, to integrate structured and unstructured information, and to optimize business processes and transactions. The largest business benefits will certainly be seen in the last two phases of adoption within the enterprise. As social computing becomes more and more integrated and embedded into core business applications and processes, its benefits will be realized in terms of significant productivity improvements. It is perhaps one of the key mechanisms along with next generation mobility solutions, and cloud technologies, by which enterprises can continue to exploit IT for their next wave of productivity and innovation.

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