



Weak signals | The Xpragmatic View



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by [Marc Buyens \(@mbuyens\)](#), Xpragma

marc.buyens@xpragma.com

url: <http://www.xpragma.com/view120.php>

In many companies, Enterprise 2.0 adoption continues to be hampered by doubts about the real returns of the investment. Unfortunately, companies that are looking most for such ROI are likely the ones that will be unable to get it.

Recently, there was some comforting news for the Enterprise 2.0 believers. A recent study by [Wetpaint](#) and the [Altimeter Group](#) found that there was a clear correlation between the financial success of companies and the level of engagement with social media of these companies. You can download the report [here](#)  (3,6 MB)

Unfortunately, as already highlighted by [Larry Dignan](#),¹ this study certainly has some weaknesses and therefore, this "evidence" might not be as strong as hoped for. So, the ROI issue remains.

However, is there really a ROI issue? Or is this perceived ROI issue only the symptom of a more fundamental problem?

Indeed, aren't we forgetting a key element in this ROI debate? Even when accepting the results of the Wetpaint/Altimeter Group study as such, can this really be seen as sufficient proof that the use of social media has a direct impact on the bottom line? Would these results have been significantly different in a world without social media?

Personally, we don't think so. Companies with deep social media engagement today, most likely, are also the companies that already had a strong focus on the "customer experience" before. Social media are just additional channels they can leverage to further strengthen this competitive ability.

Most of the things that can be done via social media channels were already possible in some form before. Though, not very easily. Today, they become doable at a much larger scale, at a lower cost footprint and with real potential for viral effects. Companies that were already embracing similar ideas before now have the opportunity to further outpace the rest of the pack.

So, yes, there will be positive impact on the bottom line. However, for these companies, ROI is not a concern. Under the right conditions, adopting social tools is a no-brainer, simply because it is non-transformational. It is a natural extension of a vision and mindset that already existed within the company. It might be a path the company never envisioned before. Yet, it is common ground, a natural fit.

For such companies, assessing the ROI is a non-issue since they have the fundamental belief that any (reasonable) investment in more openness, collaboration and customer focus always will be a good investment.

ROI is indeed largely a fascination of the mechanical, inward focused, command-and-control type of organisations where (more) profit is the single, absolute objective. Here, solid proof of future ROI is an absolute requirement.

Unfortunately, for such organisations, chances for a real Enterprise 2.0 ROI are slim, simply because they are unable to take advantage of the changes that these tools can bring.

What these companies need is a fundamental transformation of their management thinking.

Unfortunately, Enterprise 2.0 tools won't do that job.

¹ Larry Dignan is Editor in Chief of ZDNet and Editorial Director of ZDNet sister site TechRepublic

About the author



Marc Buyens is analyst, management consultant and owner of Xpragma. Marc started Xpragma in 1999 after a 20+ years career in the IT sector. Today, he provides advice, training and mentoring services focusing on the intersection of technological evolution, organisational change and business strategy: a messy world of unfulfilled promises.

 <http://www.facebook.com/marcb254>


 <http://www.linkedin.com/in/marcbuyens>


 <http://www.twitter.com/mbuyens>

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Xpragma bvba - Mechelsesteenweg 254 - 2820 Bonheiden - Belgium

Tel. +32-(0)15-340 845 - info@xpragma.com - www.xpragma.com

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