

# **BUSINESS AND I.T. MUST WORK TOGETHER TO MANAGE NEW "WEB 2.0" TOOLS<sup>1</sup>**

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## **INTRODUCTION**

Significant opportunities to meet market and customer needs are emerging as corporations harness the next generation of "Web 2.0" tools and applications. Many business units recognize this and want to move quickly. But are corporate I.T. (Information Technology) departments ready -- and willing -- to provide the needed support?

This article discusses how business units and corporate IT departments can work together to leverage emerging "Web 2.0" applications.

## **WHAT IS "WEB 2.0"?**

Although still being defined and frequently debated, the term "Web 2.0" loosely refers to the next generation of web based services. Themes common to Web 2.0 discussions include social software, consumer generated media, increasingly "rich" web user interfaces, and the continued blurring of the distinction between private corporate networks and extended web based communities. Specific examples include blogs, podcasts, tagging, wikis, syndication, feed indexers, feedreaders, and rich web experiences such as Ajax technology.

It is our belief that these tools can greatly enhance how businesses reach their end users and customers:

- Companies that harness these changes have tremendous opportunities to connect with their marketplaces.
- Companies that have low awareness or do not participate will suffer from opportunity loss.
- Companies where business and IT work together will reap significant competitive advantage.

## **HOW SHOULD I.T. BE INVOLVED?**

It is possible for corporate employees of departmental business units (e.g., "John Doe" a Marketing Manager) to easily use these technologies to publish business-related information, with or without the corporate I.T. department's knowledge or involvement. Inexpensive or "free" services are easy to initiate and operate without any involvement of the I.T. department. As a result, many business units (and individuals acting on their own) have learned to use these tools independently.

Ease of use, and seeming low cost, do not necessarily mean that the corporate I.T. department's role is irrelevant. Even in cases where customer facing units choose to outsource the management of new technologies, business unit and corporate I.T. strategy

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must still be aligned. Failure to do so can result in a disconnect between business units and I.T. Potential alignment-related issues include:

- **Lack of scalability of the new technologies.** This can occur when the volume and type of usage needed by the company outstrips what free or low cost services provide.
- **Over-dependence on expensive or overlapping service providers.** This exists when different business units secure different outside vendors for the same or similar services, services that could be provided more effectively and cheaply by a single vendor, resulting in multiple product or customer sources of information.
- **Downstream system and data inconsistencies that make it difficult to integrate business processes.** This problem might not show up for years, but when it does, it can be very expensive to resolve given the costs associated with retrospective data, application, and process conversions.
- **Over-spending on technology due to a failure to understand the total costs involved in using the new media.** For example, despite the desire to avoid corporate bureaucracy, going "outside channels" for technology procurement can lead to missed opportunities to negotiate more favorable terms.
- **Performance issues of unsupportable 3rd party applications** create dependency on an outsourced host, network, and security system without being able to rely on a certifiable service level agreement can present unknown risk and downtime in application performance and data.

## CHALLENGES

There are several obstacles to consider when trying to improve the alignment of business and I.T. in relation to adoption of new technologies.

**Challenge 1: Chicken and Egg.** Who should lead the evaluation and adoption of new tools? In the case of new technologies, should users wait until the I.T. department supports them in order to take advantage of them? Or should the I.T. department purchase, install, and be ready to support them before there are a significant numbers of users? What happens if an enterprise I.T. department can't support or deliver a needed business tool or just doesn't want to be involved? The possibility also exists that the business unit -- or individuals in the business unit -- will seek an external vendor without considering the long term implications of integration, compatibility, vendor dependency, and others costs.

**Challenge 2: Ownership Policy.** Sometimes the question arises of how clearly the business sets out policy concerning the ownership, use, and management of technologies that support the creation and distribution of corporate information content. With the rise of consumer controllable tools like blogs, wikis, forums, and other social media, the lines of authority and responsibility for content and technology are not always clear. Owning one sometimes bestows ownership over the other, whether that makes sense or not in the long run. A policy such as "the business unit owns responsibility for the content and the IT department owns responsibility for the plumbing" is a simple idea but is sometimes difficult to put into practice without a serious planning effort.

**Challenge 3: Technology Trends and Fluid Information Flow.** Sun COO Jonathan Schwartz, in recent speech at Syndication SF, 2005, said:

*"Intranets are an anachronism. They're gonna die, it's just a matter of time."  
(<http://blogs.zdnet.com/BTL/?p=2276>).*

Schwartz was referring to the increasingly blurred borders between "Corporate I.T." and customers at large. This blurring stems from several factors, including the increasing sophistication and customizability of externally available services, and the fact that

companies are seeking to collaborate directly with customers to create the next generation of products and services -- all to customer spec. Obtaining tools that promote information sharing, collaboration, on a platform accessible by all, could be the future that business and I.T. need to work towards.

**Challenge 4: Employee Responsibility.** When you hire an employee who will be in a position to interact with customers via a corporate blog or some other form of technology-supported interaction with customers, you need to adopt a stance of trust that individuals will properly represent the company and not divulge sensitive information.

The key word here is **trust**:

- If you don't trust your employees, then larger issues than business or employee blogging need to be remedied.
- Make it clear from the start what employees can and cannot say, both online, in front of customers, and at the local coffee shop.
- Make known the distinction of individual opinions vs. corporate ideology. Everyone is entitled to an opinion, and to voice it; just make clear to others that it's your own, and when it's the company's.

Already, many companies have public disclosure policies or disclaimers on corporate blogs. Seek a written and public policy document to display such rules.

**Challenge 5: Crisis Management.** Clear and consistent policy and employee trust come into play especially when a corporate crisis hits and employees need to communicate with the public with a clear and consistent voice. Examples are public relations debacles such as inadvertent releases of private consumer financial data, product failures that become the subject of constant mainstream media reporting, and massive power outages that strain public utilities' ability to restore electrical power. All employees need to be "on the same page" when they speak to the public, whether the medium is telephone, email, television, radio, -- or corporate blogs and web pages.

Turning blogs "on and off" is not really a viable option. A better method is to educate employees on a corporate "fire drill" policy. A possible approach is:

- Designate a respected person to first acknowledge an issue via a public medium.
- Immediately acknowledge the issue and reference the sources.
- Show compassion and understanding for the issue and individuals.
- Demonstrate plans for resolution and solution.
- Consider an internal website that details appropriate responses to a sensitive situation.

Companies that "clam up" during a crisis get heavily "flamed" by bloggers and other consumer generated media. Companies that rely on arms-length press releases suffer similar fates. Blogging conversationally about a problem "on the company's own turf" provides the potential for influencing, if not controlling, the focus of the discussion. This also helps prevent excessive spiraling of conversations to other mediums. A company can control a crisis by managing on their own terms.

**Challenge 6: Influence vs. Control.** It's necessary to understand that no individual has ownership of the internet communication known as the "blogosphere." Communications can be rough. Adopt a method to stay "out in front" of a problem to best manage it. With easy to use communication tools such as blogs and forums, consumers talk to each other and easily share opinions, truth, and misinformation.

Blogs and forums are a natural means for listening, participating and owning the conversation in your market -- especially during times of crisis.

## **RECOMMENDATIONS**

Below we suggest some approaches that companies can follow to help align business and I.T. in the management and use of interactive technologies such as blogs, podcasts, and wikis:

1. Awareness of Business Needs. I.T. departments need to anticipate the needs of their business users and plan accordingly. This requires sensitivity to business needs and their impacts on service demand, regular communication with users, and the imagination to see where new technologies can help the business accomplish its goals. I.T. units can be proactive in learning new technologies. Also consider the use of newer web tools within the I.T. department as part of its internal management resources, e.g., through the use of internal corporate blogs to communicate within the company.
2. Establish clear lines of responsibility for managing and paying for the technologies. Start with the (admittedly over-simplified) statement "IT owns plumbing and business unit owns content." Determine who owns content, strategy, support, and costs. If necessary, begin by reviewing other corporate communications strategies and technologies in light of a basic "RACI" analysis that outlines:
  - a. Who has ultimate **Accountability** for managing and ensuring success of the corporate "Web 2.0" Strategy (i.e., who gets fired if it fails)?
  - b. Who has **Responsibility** for making sure the job gets done right?
  - c. Who needs to be **Consulted** in the course of making decisions and taking actions?
  - d. Who needs to be **Informed** after the fact?
3. Hire trustworthy employees who know how to interact with all levels of the customer base. Creating blog or podcast content are communication jobs, even when they involve technology. Knowledge of corporate policy, products, and strategy are key, as well as the ability to deal with potentially irate customers.
4. Establish a conversational not a confrontational strategy. For example, develop a corporate blog *before* a crisis erupts so that customers and consumers (and vendors and suppliers) know about and can find your location on the web.
5. Coordinate all communication channels. Make sure that the call center, web page, corporate library, PR department, and marketing department are aware of the blogging strategy and the basic policies associated with management. Consider an internal channel or "knowledge base" for mediating information.
6. Demand that I.T. support both process and technology. Technologies are bound to change and evolve in addition to vendors who supply technology services. IT should be responsible for making sure the technology is cost effective, appropriate to the task, is compatible with corporate IT architecture and IT strategy, and is safe and secure.
7. Prepare crisis management game plans in advance and practice them. Keep them up to date and ready to implement. Don't make the common mistake of assigning responsibilities only to named individuals without considering the implications of corporate mobility and job shifts on who does what in an emergency.

8. Be active, not just reactive. Create content that is high quality, trusted, and intelligent. Make your web site, blogs, and podcasts good enough that people seek them out and become repeat users. Use appropriate metrics and analytical tools (e.g., Google Analytics or related services) to measure effectiveness.
9. Regularly analyze and report to management on the nature of communication and content. Don't just track page counts and traffic, make sure to track concepts, problems, issues, and ideas as well.
10. Be prepared for negativity. Develop thick skin, be prepared to respond to attacks, help to clarify the root issue and corporate commitment to resolving issues -- do so quickly and sincerely.
11. Be prepared for the long haul. Establishing a two-way conversation with customers and prospects takes time. Don't expect to generate "warm and fuzzy" responses after only a month or two.

## **CONCLUSIONS**

Aligning business units and I.T. to take advantage of "Web 2.0" technologies is challenging but not impossible. The key to success is the appropriate definition of responsibilities, starting with two basic principles:

1. Business units with customer communication responsibilities are ultimately responsible for the effectiveness of the content they communicate. They own the relationship with the customer. If being able to take advantage of new technologies in support of the customer relationship forces the company to redefine customer relationship management and how technology supports it, so be it.
2. The I.T. department provides necessary installation, support, and standardization functions as well as leadership and strategy on technological matters. If this requires I.T. to develop new management approaches for handling externally supplied services, such approaches should be developed.

## **ABOUT THE AUTHORS**

Dennis (in Virginia) and Jeremiah (in California) met online through the LinkedIn Bloggers group managed on Yahoo! Groups. They created this document using a variety of tools including phone, web based collaborative document authoring, and email over the December 2005 through January 2006 time period. To discuss this with them, please contact them via email or visit their blogs.