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Come together, right now - corporate leaders can amplify the value of social to the business

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<http://www.ft.com/intl/cms/s/0/4f10a790-ee4a-11e2-a325-00144feabdc0.html#axzz2ZJ0Ldypk>

Listening services are almost old news. Not that social signals aren't useful; they are.

Using reputation monitoring and other listening services, an apparel company might discover that a particular style of platform shoe beloved by celebrities is causing a rash of sprained ankles in the general population. Similarly, a mobile operator might discover a battery problem with a new smartphone and be able to pull a product from the shelves before angering more customers. The company might even be able to launch an outreach campaign to proactively correct the problem with customers who have already purchased the product.

But what if that real-time customer information was actually feeding into the enterprise systems such that the supply chain management system would not only stop the production line for shoes but stop the order from the material vendor and trigger further quality control and material inspection? What if the immediate buzz about the battery life led to a rapid product redesign?

In both cases, decision-makers from the store manager to the product manager to the production line could "see" the issue developing and adjust inventories and orders. Doing so would require the cooperation of the chief marketing officer (CMO) - who often owns the social data, the chief operating officer (COO) - who controls production and supply chain, and the chief information officer (CIO) - who controls the backend systems.

The goal of removing unknowns is closer

At Burberry, for example, that is already starting to happen. With advances in technology, data science and the increasing number of platforms, tools, and sensors generating social data, more business leaders can have the potential to detect and factor in the early signals - of change, discontent, excitement, taste and preferences - into both strategic and operational decisions.

However, social alone is not enough to generate competitive business intelligence. It is just one channel for gaining information. Up until now, the social channel has typically started and ended with marketing. The marketing organisation may use social to engage the customer and change campaign plans based on analysis of social data, but the rest of the enterprise keeps moving along until the next budgeting cycle or the next strategic planning session.

The value of social signals to a company depends upon its ability to gain, and act on, insights ahead of the competition. Social can have a direct impact on business performance metrics when the data scraped from blog posts, Twitter feeds and social media platforms is combined with other external and internal data sets. More important, the data needs to be seamlessly integrated

into day-to-day operational systems to inform core decisions such as risk management, product development and planning.

How to get there?

Across the board, the companies that are figuring out how to integrate social data into backend systems are discovering that it requires cooperation between the CIO and other company leaders: the COO, the CMO and sometimes even the chief financial officer (CFO) as well as the head of risk and compliance. The CIO can put the data and the analytic tools in the hands of the business users and provide the expertise to help business users understand the scope and significance of the signals they have. Once these partners are conceptually on board, reengineering business intelligence will be a joint effort.

First, stop listening just for listening's sake. Although there are insights to be gained from using a free-form "gather some data and look for patterns" approach to social analytics, to connect signals to actionable business intelligence, it's likely best to start with a defined goal or set of business issues. Before gathering data, consider the types of decisions being made and what type of information would lead to a different decision. In other words, what information could social signals provide that would materially affect a strategy or operations decision?

Answering these questions (and knowing what questions to ask of the data and analysis) requires business context. Off the shelf analysis is unlikely to yield insight. Typically business users who are deeply involved in the types of strategic and operational decisions that the social data analysts would like to inform are best able to provide context. For example, marketing often has the ability to identify the emerging trends and potential issues captured in the data. Operations can provide the implications of acting on these insights.

More data brings more opportunity for misinterpretation. None of this type of near-real time decision making is possible without capable data scientists and very specific and customised analytic tools. Further context and metadata, especially to explain signals coming from passive sources, can help business users interpret data. Together with analytics, richer interpretation helps turn data into information.

Discretion and judgment are also needed in choosing where to look for signals. Social platforms provide access to signals, but the business should consider which communities and contexts best represent its current or future user base. Consider a product targeted at seniors.

Although consumers over the age of 65 are a fast-growing user group of social media platforms, signals pulled from Twitter, Facebook and social check-ins, no matter how positive or negative, probably won't convey insight that the business would want to act against because the source doesn't represent the greater community the company cares about.

For the most part, companies haven't figured out how to do this, yet.

In fact, in a recent survey, 93 per cent of executives reported that they believed their companies are missing out on the revenue enhancing value of the social data they collect and nearly half indicated that translating information into actionable insight was a top priority.

For executives and other decision makers, social offers a tantalising promise: an up-to-date context for making decisions, even real-time decision making. Social can change the decision-making environment by bringing in the regularly changing context to inform decisions and providing real-time feedback on how decisions are playing out.

As the volume of social data increases, the potential advantage to be gained by identifying new signals from them is increasing in every industry. Those companies that figure out how to integrate social signals into the decision-making processes across the enterprise first will be well ahead of the competition in removing unknowns and moving the needle on business performance.

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