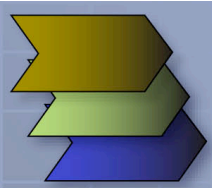




**Social
Network
Roadmap**

Personalizing and Scaling Innovation with Social Networks

**Business Innovation Conference
Chicago, October 7, 2009**



Agenda

- Environment21
 - The context around innovation is transforming fast
- Social network innovation
 - Examples of social network-enabled innovation
- Practice
 - Using social networks for innovation

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Environment21: My Perspective

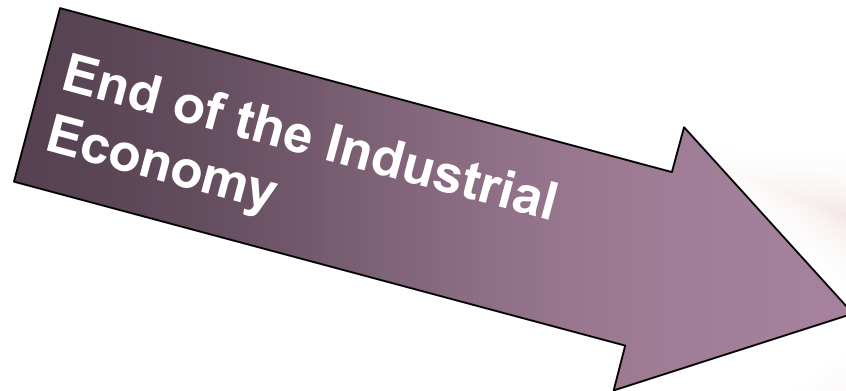


- 20 years experience as management consultant and line executive
- Expertise: disruptive innovation, strategy and transformation
- Strategy and execution for game-changers: Java, e-business, SOA, Web 2.0, social networks
- Thought leader: 3 blogs in global top 10



Environment21: Converging Megatrends Change Role and Practice of Innovation

End of the Industrial Economy



Web 2.0: New Economics of Relationships



Innovation Role and Practice



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Session 2

Business Cases & Solutions

10/27/09



Environment21: The Context of Innovation

Industrial Economy

- 20th century value drivers
 - Fabrication, products
 - Efficiency
 - Product features
- Information flow: slow
- Life cycles: long
- Org structure: inflexible due to lack of information
- Buying influence: experts
- Innovation: intermittent

Knowledge Economy

- 21st century value drivers
 - Customer experience
 - Novelty, entertainment
 - Relationship
- Information flow: ultra-fast
- Life cycles: short
- Org structure: flexible due to real-time information
- Buying influence: friends
- Innovation: constant

*Innovation has been the place kicker on the team..
now it's the linebacker*

Environment21: Web 2.0, the Gateway to People

- Many-to-many
- Rich asynchronous
- Social ecosystem
- Expertise economy
- Real-time, global
- Inexpensive
- Specific
- Digital, Fast

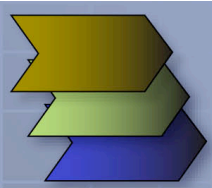




Environment21: The Knowledge Economy

- Social networks put everyone online
 - Low barrier to entry - social networks create context
 - Relationships discoverable online
 - Low cost to find, build and manage relationships
 - People are smarter
 - They have more specific social interactions
 - People can mobilize and build knowledge quickly
- Global is the default
 - Emerging markets online by default
 - Emerging markets are where the growth is

*2 billion
people will be
online by
2011*



Environment21: Big Idea

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*Social networks transform
the economics of
innovation—like the Internet
created information and
transactions on demand*

Social Network Innovation: Procter & Gamble



Marketing 2.0 highlights

- Innovation is a core strategy at P&G
 - How consumers use products in their lives
 - Marketing adds value to products
- P&G sources 50% of innovation from outside;
 - Crowdsourcing (chemical) engineering
 - Intend to do it with marketing
- Marketing 2.0 key to innovation
 - Gen Y works this way; they are key to demand
 - It is contagious; P&G's blogs began on an old \$1,500 server; now they have 200 very active

Key insights

- P&G is very data and ROI driven; however:
 - ROI is very appropriate for stable processes
 - Innovation is a different kind of process, so don't measure it like a manufacturing process
- Make innovation investments in small chunks
- People are making negative comments anyway; you might as well be in contact with it

“The worst mistake is not letting go of control; you have to let people learn, and innovation is a different learning process. You can approach it this way if you chunk investments small.”

– Stan Joosta, Innovation Manager, P&G

Social Network Innovation: CNBC



Highlights

- LinkedIn members share CNBC news, blogs and video on LinkedIn
- LinkedIn community content is broadcast on CNBC
- LinkedIn survey results and on-air Q&A with CNBC anchors and reporters

Key insights

- CNBC content recommended by LinkedIn executives to each other
- CNBC reporters can query LinkedIn's executive members for news stories
- Real-time collaboration

This is the perfect collaboration between CNBC's viewer base of well-educated and affluent professionals and LinkedIn's powerful professional network."

– Mark Hoffman,
CNBC President

Social Network Innovation: Mayo Clinic

facebook.



Highlights

- Facebook site lets patients connect with each other
 - Patients tell their stories, in their own words
 - Digitizes the word of mouth that's always happened "over the back fence"
- Podcasts of doctors talking about diseases
- Co-creating experience
 - Prospects, patients, employees
 - Sharing personal experience

Key insights

- Facebook enables people to affiliate with Mayo as "fans," developing community
- Podcasts are a broad distribution medium
 - Enable listeners to access in small chunks
 - Create additional leverage for costly video content

"This is a new reality...

*It is how people are
communicating now."*

– Lee Aase, Manager,
Syndications & Social
Media, Mayo Clinic

Social Network Innovation: jetBlue Airways



Highlights

- Customers know what's happening and how to contact jetBlue
- Customers have become eyes and ears
- jetBlue adjusts and tells people real time

Key insights

- Define your audience and your voice
- Watch and listen to customers and competitors
- Monitor every blog, but you don't have to respond to everything
- Ask for feedback constantly, and plan for the hard questions
- Stay involved; this is a 24/7 proposition
- More: jetBlue social media coverage
 - <http://globalhumancapital.org/?p=215>

*“Twitter enables us to monitor what’s happening, to react and communicate quickly, to inform and to **humanize.**”*

– Morgan Johnson,
Manager Corporate
Communications

Social Network Innovation: Obama iPhone App



Highlights

- One-click participation
- Supported key business processes
- Multimedia
 - Phone: make calls
 - Web browsing and email
 - Video, photos
- Twitter, Facebook, LinkedIn, MySpace

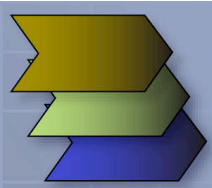
Key insights

- Leverage mobility: people can help from anywhere, at any time
- Scale: people share digital artifacts, avoid message dilution
- Reduce cost of engagement
- Chunk contributions small



More

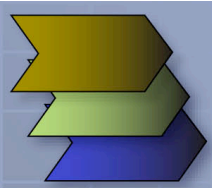
Obama social media case study
<http://globalhumancapital.org/?p=216>



Social Network Innovation: Big Idea

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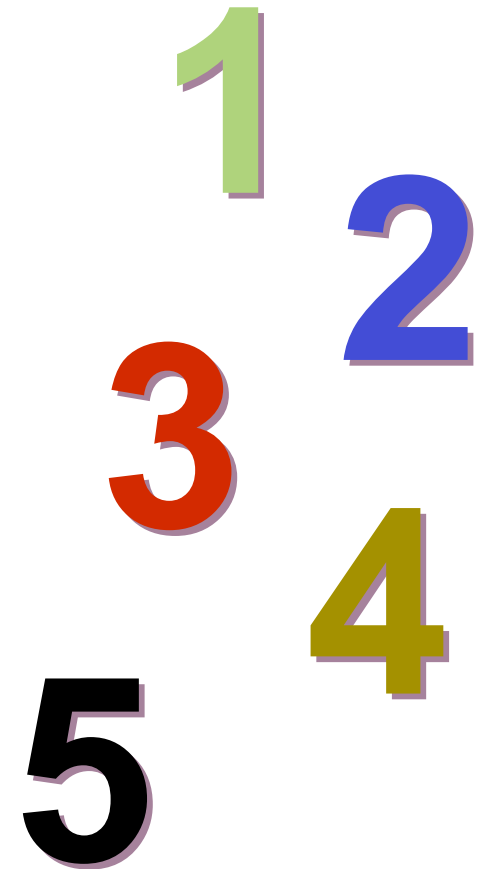
*People hold the key to
innovation and profitability,
but you have to know how
to engage them*



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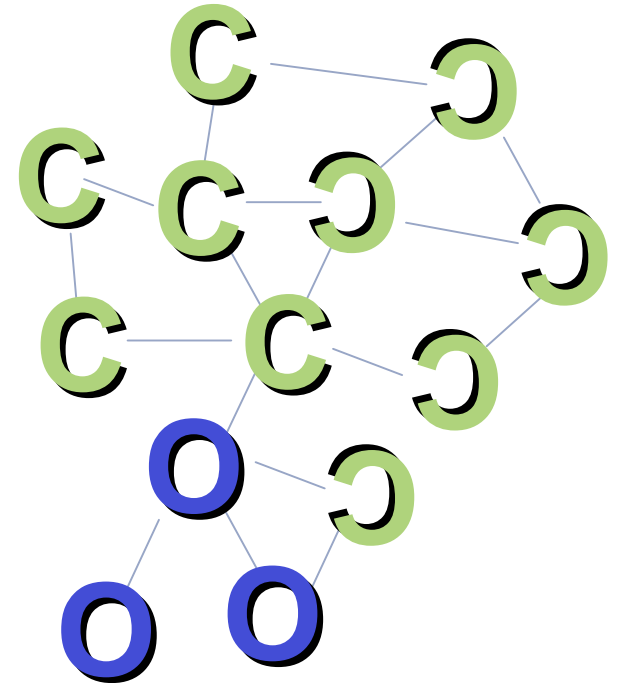
Practice: Web 2.0 Principles

- People giving suggestions in a transparent environment work much harder than in closed settings
- Even if 0.01% of your customers want to participate, that's a lot when they are online - and they self-select
- All customers will give you more credibility when they see the community, even if they don't participate
- Manage the process, make it rewarding
- Tell people how you will act on their ideas, why it's important
- Show them how they are making a difference



Practice: Web 2.0 Product Development/Innovation

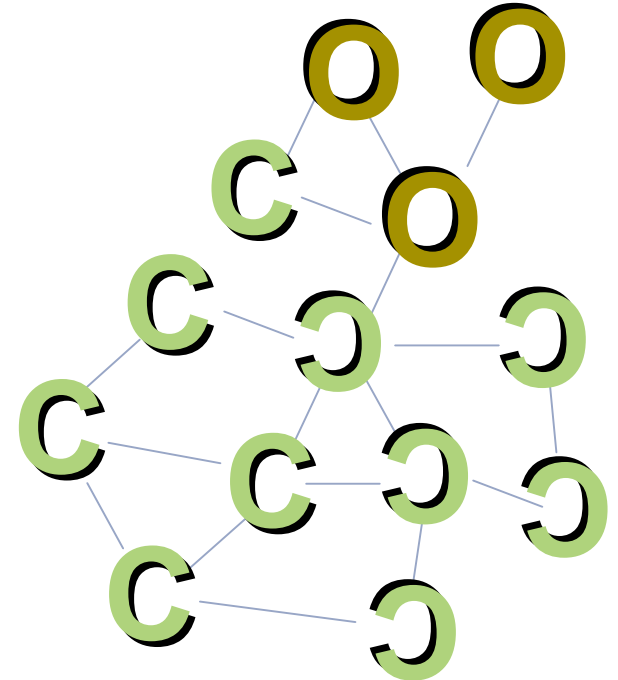
- Transparent conversation
- Many-to-many, real-time, always-on
- **Customer** experience focus
- Facilitated by **Organization**



Engagement + Ideas + Action = Profit

Practice: Web 2.0 Service Innovation

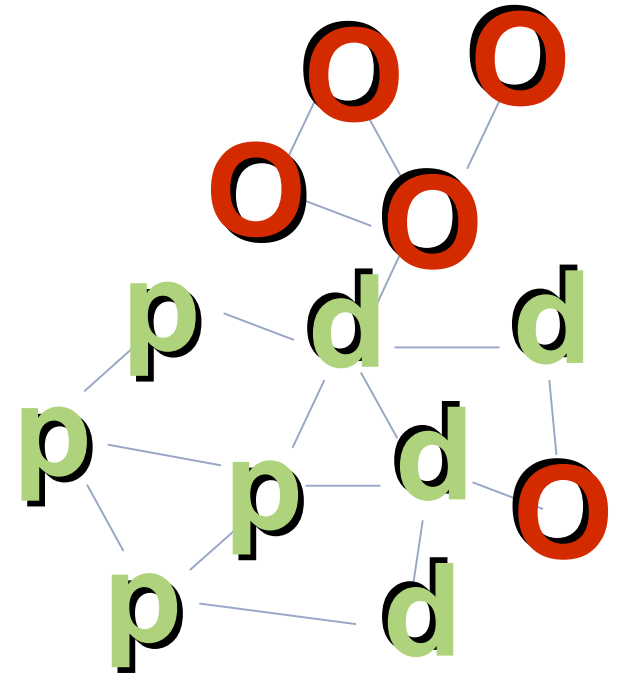
- **Organization** creates or joins community of **customers**
- Show your commitment to helping customers
- At a certain point, customers will begin helping each other
- Your experts highly leveraged in the crowd
- Real-time feed of ideas and customer experience



Engagement + Ideas + Action = Profit

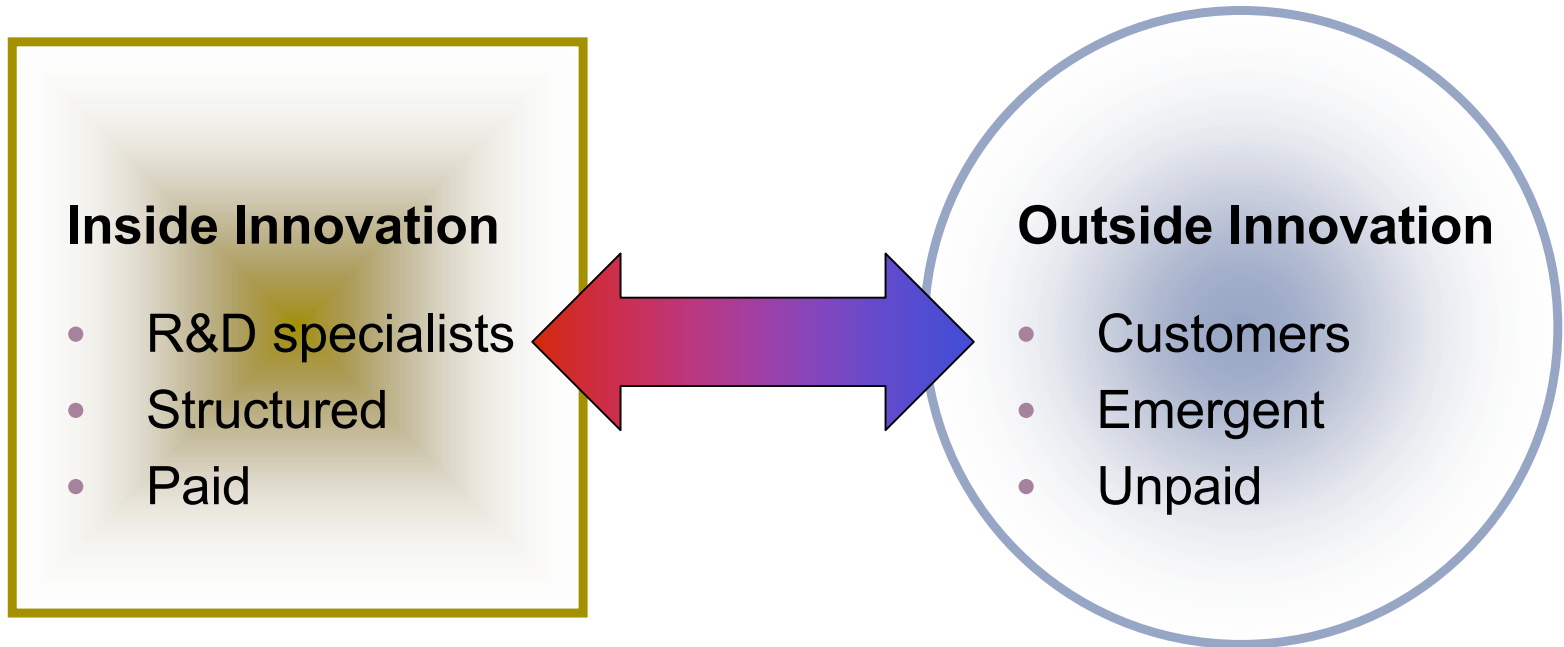
Practice: Web 2.0 Value Chain Innovation

- **Organizations** attract **partners** into social network in which they discuss and act on key end customer issues
- Address issues that don't invoke conflicts between partners
- Don't overlook frustrations partners have with your administrative or financing processes
- Let them share with each other workarounds, and use these transparent interactions to reform

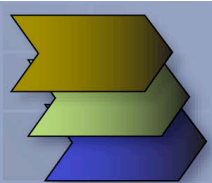


Engagement + Ideas + Action = Profit

Practice: Mix and Collaborate for Best Results



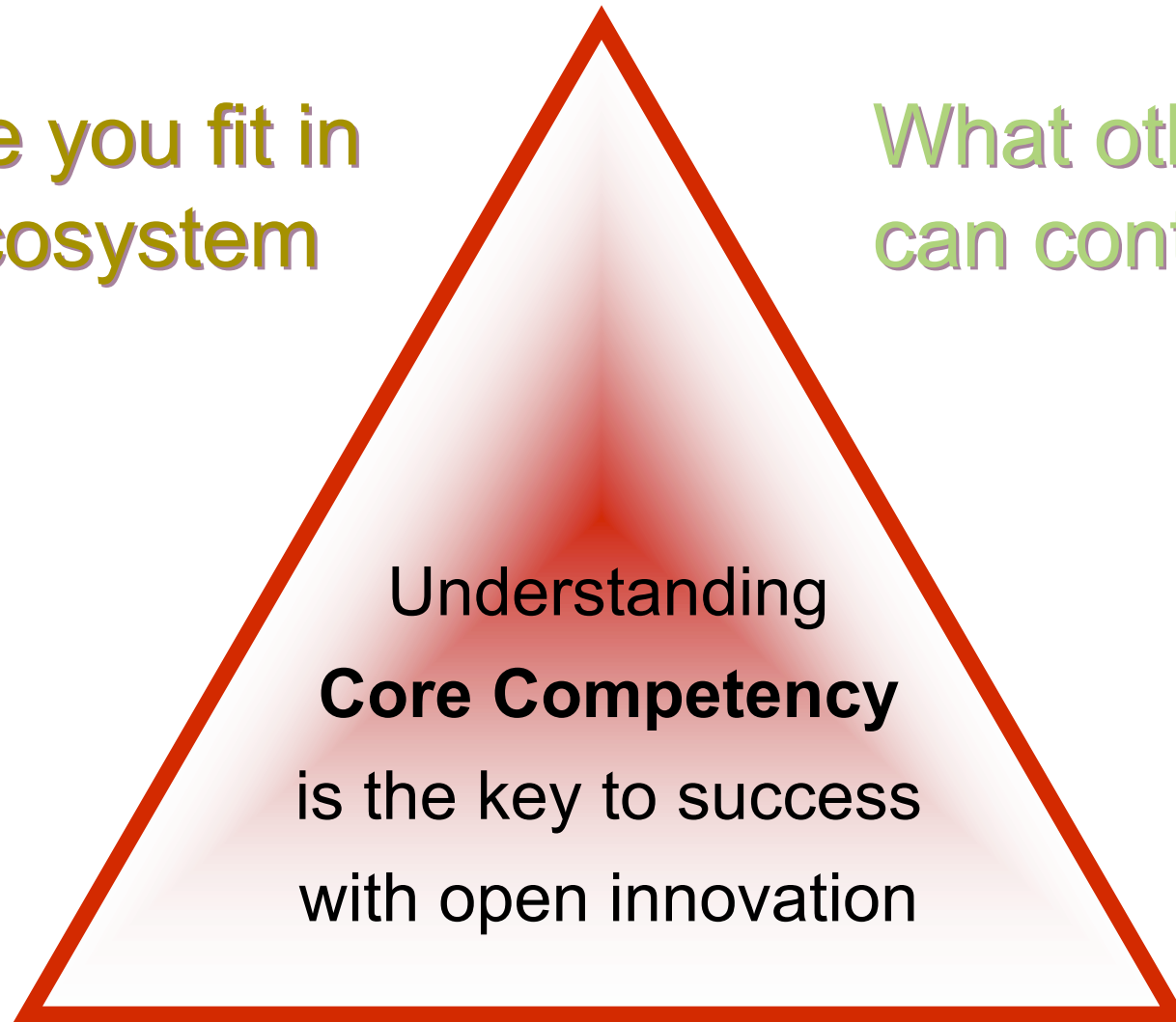
Combining inside and outside innovation greatly magnifies your impact



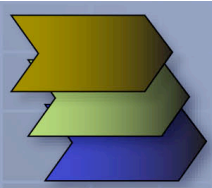
Practice: Tapping Emergent Global Human Capital

Where you fit in
the ecosystem

What others
can contribute



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Practice: Big Idea

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Experience *is the lingua franca of the Knowledge Economy, not products or services—let it be your focus, it leads to profits*

Practice: Resources

- **The Social Network Roadmap**
 - Helps companies use Web 2.0 for innovation
 - <http://socialnetworkroadmap.com>
 - Currently rated #1 worldwide by Technorati
- **The Global Human Capital Journal**
 - CEO/CMO/CIO journal for innovation
 - Currently rated #10 worldwide by Technorati
 - <http://globalhumancapital.org>
- **The Executive's Guide to Web 2.0**
 - EGLI blog currently rated #4 worldwide by Technorati
 - EGTW management advice for Twitter, blogging
 - EGFB management advice for Facebook
 - <http://executivesguide-web20.com>
- **Social networks**
 - <http://www.linkedin.com/in/csrolllyson>
 - <http://www.facebook.com/csrolllyson>
 - <http://myspace.com/csrolllyson>
 - <http://tinyurl.com/orkut-csrolllyson>
 - <http://tinyurl.com/xing-csrolllyson>



Microblogs

<http://twitter.com/eglii>
<http://twitter.com/egtw>
<http://twitter.com/egfb>
<http://twitter.com/csrolllyson>
<http://twitter.com/snroadmap>
<http://plurk.com/user/csrolllyson>
<http://identi.ca/csrolllyson>
<http://kwippy.com/csrolllyson>
<http://csrolllyson.tumblr.com/>
<http://friendfeed.com/csrolllyson>

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