

# Are social media silos holding back business results?

**Summary:** *Just about every company seems to have a rapidly growing portfolio of social media applications today. This is fragmenting our knowledge, locking us in, reducing business utility, and holding back ROI for our organizations.*

By [Dion Hinchcliffe](#) for [Enterprise Web 2.0](#) | June 25, 2013 -- 23:25 GMT (16:25 PDT)

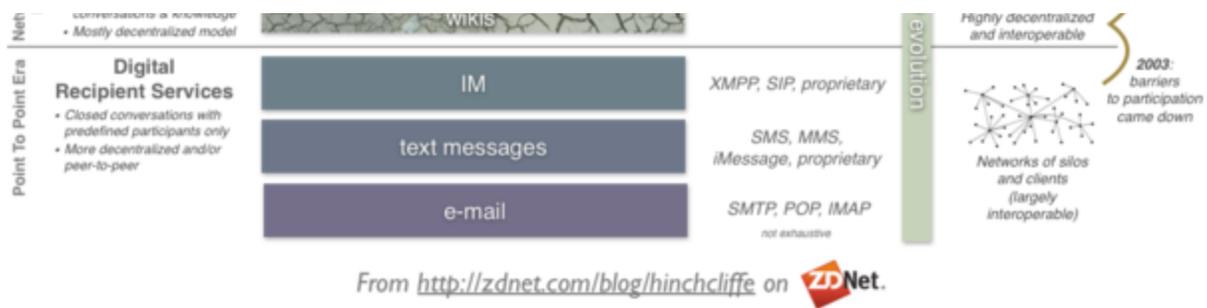
These days it's largely expected that the latest consumer technology will be adopted in a new record setting time. This was true of social media as it was of earlier communication revolutions. Yet the contrast between the widespread use of social networks in people's personal lives and the same phenomenon by the enterprise is often stark.

Much has been made recently of the likelihood of first couple of generations of internal social networking efforts to fall by the wayside, with [Gartner recently noting](#) (<http://www.citeworld.com/social/21987/heres-why-your-enterprise-social-project-just-tanked>) that up to 80% of them won't survive. Fortunately, this isn't exactly unusual for a major enterprise-wide initiative that ushers in major change: Well over ten years after they were introduced, ERP projects are still reporting substantial failure rates, with 60% of them creating less than half the expected benefits, [according to the latest data](#) (<http://www.zdnet.com/2013-erp-research-compelling-advice-for-the-cfo-7000011619/>) from my ZDNet colleague Michael Krigsman.

With outcomes like this, there's no question that social business (defined here as the application of social media to the enterprise) is [currently in the trough of disillusionment](#) (<http://www.zdnet.com/social-medias-rocky-road-in-business-7000010652/>), even as more companies report success with the methods than ever before. In fact, nearly two-thirds of companies currently use social media to engage with customers and 49 percent to advertise, according to Stanford's [2012 Social Media Survey](#) (<http://www.gsb.stanford.edu/cldr/research/surveys/social.html>). What's more, internal social networks are on target to be key elements of the workplace experience in most enterprises [by 2016](#) (<http://www.eweek.com/it-management/social-business-initiatives-need-focus-clarity-gartner/>).

So what gives here? Is social business a success now, or will it be successful in the near future, or will it all move on to a new revolution? These are the crucial questions that IT and business leaders would reasonably like to know before they commit their budgets, people, time, and reputation on what is by many accounts the future of [digital engagement](#) (<http://www.zdnet.com/the-new-digital-customer-journey-cross-channel-mobile-social-self-service-and-engaged-7000015570/>).





(<http://www.zdnet.com/i/story/70/00/017227/commercialsocialnetworkingsilos.png>)

Unfortunately, like so many things in today's world, the answer is somewhat nuanced. To fully understand where we are, we need take a very brief tour of online history.

## Social networks: The new walled gardens?

We've gone through at least three significant, large-scale revolutions in the communications landscape in the last 20 years:

The first was the arrival of global e-mail on a single network (the Internet), the first time that anyone who was connected online could send a message to literally anyone else, at least if you had their e-mail address. Instant messaging, texting, and other point-to-point technologies -- also requiring that you unambiguously identify the target of your messages up front -- soon joined in as well. Communication was now global and largely frictionless, but it was also closed to discovery and new participants. Their conversations also didn't scale well.

The second big revolution was the initial foray into early forms of social media, such as blogs and wikis. These had several unique attributes: They were **asynchronous and much more scalable** (<http://www.zdnet.com/blog/hinchcliffe/the-enterprise-2-0-industry-discussion-continues-and-evolves/64>) than e-mail/texting/iM, and you didn't have to identify your audience beforehand. Anyone could communicate with everyone automatically, provided they had information that people wanted to know about (not coincidentally open participation is the root principle of social business.) Blogs and wikis were adopted broadly, but not as widely as e-mail at first. Interestingly, blogs were hosted as individual Web sites, and connected via syndication protocols like RSS. Perhaps most significantly in hindsight, syndication allowed these decenralized conversations to be found and linked together, no matter what social media platform or service they used underneath. *The key point here:* Virtually all blogs played nice and were interoperable with the blogosphere.

The third revolution was arrival of commercial social networks like MySpace, LinkedIn, Facebook, Twitter, and many others in the consumer world and the recent maturity of corporate social networks like IBM Connections, Jive, Yammer, Chatter, Tibbr, and numerous others. These all offered up social profiles with lists of personal connections and provided bustling activity streams that made the social experience 1) seamless to use and centralized in one place, 2) largely conversation and content-oriented, and 3) organized around one's connections/followers.

However, with the arrival of commercial services, came the return of the dreaded walled garden from the early Internet era. Social networks were in vigorous competition for members, and interoperability was often considered a great way to create an exit ramp of traffic. As a result -- and probably to our considerable detriment -- interoperability between virtually all popular social networks is quite limited today, being fraught with commercial, political, and technological issues. On the other hand, because of their reach, utility, ease-of-use, and intrinsically higher network effect, these social networking services also became enormously

successful and are now [more popular than e-mail](http://www.zdnet.com/blog/hinchcliffe/social-business-holds-steady-gap-behind-consumer-social-media/1695) (<http://www.zdnet.com/blog/hinchcliffe/social-business-holds-steady-gap-behind-consumer-social-media/1695>) or any other form of online activity.

## Poor social interoperability a growing barrier to ROI

In retrospect, it's clear that the cultural divide between traditional business methods and social media was wider than virtually everyone anticipated at first. Nevertheless, the world population has recently gone through a great upheaval in terms of its communication behaviors and inclinations. We are far more digital, social, and mobile in general in our personal lives and the workplace than even just three years ago.

So the [cultural barriers](http://dachisgroup.com/2012/05/getting-to-effective-social-business-results-applying-culture-change/) (<http://dachisgroup.com/2012/05/getting-to-effective-social-business-results-applying-culture-change/>) to social business are increasingly well understood and are receding steadily (if slowly) as a major issue. So too are the [early adoption issues](http://dachisgroup.com/2011/08/the-path-to-co-creating-a-social-business-the-early-adoption-phase/) (<http://dachisgroup.com/2011/08/the-path-to-co-creating-a-social-business-the-early-adoption-phase/>), as I covered in last year's list of [social business success stories](http://www.zdnet.com/blog/hinchcliffe/realizing-social-business-enterprise-2-0-success-stories/1908) (<http://www.zdnet.com/blog/hinchcliffe/realizing-social-business-enterprise-2-0-success-stories/1908>). The biggest obstacles to social business are increasingly being solved, at least apparently.

However, we see a growing body of evidence that now confirm what I predicted in my [2013 predictions for enterprise social media](http://www.zdnet.com/2013-predictions-for-enterprise-social-media-7000009964/) (<http://www.zdnet.com/2013-predictions-for-enterprise-social-media-7000009964/>):

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Social fragmentation and silos will vex social media strategists more than ever before.

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Recent studies by McKinsey & Company ([see chart on how fully networked organizations outperform](http://www.zdnet.com/blog/hinchcliffe/is-it-time-for-a-c-level-social-media-executive/2055) (<http://www.zdnet.com/blog/hinchcliffe/is-it-time-for-a-c-level-social-media-executive/2055>)), the [Social Business Council](http://www.zdnet.com/enterprises-grapple-with-social-engagement-7000005263/) (<http://www.zdnet.com/enterprises-grapple-with-social-engagement-7000005263/>), and seemingly disconnected data points such as [Facebook becoming the top enterprise collaboration tool by worker preference](http://midsizeinsider.com/en-us/article/social-business-facebook-rules) (<http://midsizeinsider.com/en-us/article/social-business-facebook-rules>), all appear to point to the same thing:

*Only when the barriers between our social silos are torn down will we realize the full potential of social business.*

We've managed to erect countless partitions -- much more than we could ever need to protect privacy or corporate information -- between all the social tools we've put in place or acquired through departmental projects and consumerization. These days, I continue to speak with organizations that find themselves surrounded by social media. They find they are employing a vast panorama of social media, including microblogs, internal social networks, customer communities, social CRM initiatives, Twitter/Facebook accounts, social marketing experiences, LinkedIn groups, SharePoint sites, rogue wikis, and much more, all of which cannot talk to each other, or easily find/use/share each other's content. (Yes, there are a few bridges between some of these channels, but they are inadequate and poorly adopted.) This regularly breaks business processes, creating analysis paralysis (which tools/channel for the job?), and more.

While e-mail is an antiquated technology that has hardly improved in 20 years and creates closed conversation, it has -- like the Web itself -- one signature advantage: It's part of a single, flat system. Thus, our parochial patchwork of social silos is starting to impact useful communication and hold back effective engagement in the same way older network technologies do.

It's clear that to get to the next level of performance, we're going to have to address this situation. Respected organizations like the Open Group certainly [recognize the problem](http://blog.opengroup.org/2012/07/09/social-networks-challenging-an-open-internet-facebook-walled-gardens-tweet-jam/) (<http://blog.opengroup.org/2012/07/09/social-networks-challenging-an-open-internet-facebook-walled-gardens-tweet-jam/>). And the scale of the issue will just as certainly

require bold action in order to work.

How will this happen then? I've gone on record that [it may be the adoption of effective open standards \(http://www.informationweek.com/social-business/social\\_networking\\_private\\_platforms/enterprise-social-networks-need-open-sta/240002166\)](http://www.informationweek.com/social-business/social_networking_private_platforms/enterprise-social-networks-need-open-sta/240002166) that returns social networks to fundamental interoperability. But will commercial services adopt them? Their executives and shareholders are likely not to agree. Are there other solutions? Possibly. Either way, if social media is to progress to the plateau of productivity, we must figure this out.

I'll be exploring this topic in more detail in the near future. I welcome your comments below on how we can resolve this as an industry.

**Related:** [Social media will ultimately permeate the enterprise. \(http://www.zdnet.com/social-media-will-ultimately-permeate-the-enterprise-7000010636/\)](http://www.zdnet.com/social-media-will-ultimately-permeate-the-enterprise-7000010636/)

*Topics: [Social Enterprise](#), [CXO](#), [Collaboration](#), [IT Priorities](#), [Networking](#)*

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## About [Dion Hinchcliffe](#)

Dion Hinchcliffe is an expert in information technology, business strategy, and next-generation enterprises.

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## Talkback

### There's more to life than ROI and profits.

"Communcation was now global and largely frictionless, but it was also closed to discovery and new participants. Their conversations also didn't scale well."

In all fairness, though - email was not intended to replace the newspaper, it was intended to replace the personal letter. Using it for social media - was never really its true purpose.

And to be honest - it's neither my goal nor purpose in life to make everything I say public, nor is it my goal and purpose in life to make your business have ROI.

And I really don't want to live in a world where the only thing that matters is the ROI of businesses. Sorry, I just don't. There's more to life than treating people like numbers, to be squeezed and maximized for every profit possible.

So my answer to the concerns about siloing? Good. It's not about your profits, it's about my life. It's my choice to be open or closed about my data, and I really do not care if it hurts your ROI. I value my freedom to choose my privacy settings far more than the ROI of any business.

The biggest concern I have with practices like "big data" and analytics is that businesses will minmax everything to the detriment of the people who use their products. Sure, it's becoming easier to be the Borg from Star Trek - but then again, weren't the Borg considered an enemy to mankind, rather than a friend? Something about losing all individuality and just becoming a number . . .

I don't really want a future where I'm just a number. The "you're just a number" effect is bad enough with population growth. I don't really need it to be encouraged in more areas of my life.



CobraA1

26 June, 2013 06:28

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### Corporations can't see the forest for the trees.

An amusing synopsis. As per CobraA1's comment above, the real question here is, how does any of this relate to prosperous, sustainable and happy future for mankind?

Much of the technological development we're seeing these days are tools that increase corporate control, government control, social conformity, unnecessary levels of competition, widen the gap between rich and poor, and alter the normal course of life by ensuring that everything that happens is documented and cannot be erased.

In short, social networks are doing nothing to improve quality of life or happiness. Indeed, they are

more likely having the opposite effect. To take the destructive effect of these all-seeing, all-data retaining networks and apply them to not only one's social life, but also one's professional life, seems self-destructive. The social network itself adds very little value to any business, since all businesses have access to the same social networking tools, and thus have no competitive advantage.

Without innovation, government assistance, mass debt, or extreme luck, any business will more than likely not survive. Using a social network within that business to alter it's survival strategy is so negligible it's not worth mentioning.

Using a social network to control, oversee, acquire evidence against, and ensuring conformity amongst employee's, is a different story and will meet with success from the corporations viewpoint, just as it has been a success for governments outside the workplace.



TrollsBgone.

26 June, 2013 16:25

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## Humm . . .

"unnecessary levels of competition"

Dunno about you, but I personally actually like competition. Keeps technology moving, prevents monopoly power which inevitably leads to pricing everything through the roof.

I am one who generally agrees with a free and competitive marketplace.

"In short, social networks are doing nothing to improve quality of life or happiness."

Well, my argument wasn't that social networks were bad, my argument was that making everything available to businesses is bad. Social networks still may have some uses. I just don't want my privacy settings to be ignored for the sake of ROI or anything like that.



CobraA1

27 June, 2013 01:20

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## Social Networking = Feudal Computing?

Not only are these proprietary social-networking sites locked-up silos which hate to interoperate, they also claim ownership of all the data you put into them. And they can chuck you off at a moment's notice, without anything resembling due process. So you subsist on their network entirely at their sufferance, just like a serf in the feudal days of old.

Bruce Schneier has offered up various thoughts along these lines.



ldo17

27 June, 2013 04:06

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