Cultivating the Social Customer

Driving Revenue and Engagement in a Collaborative Value Chain

By Paul Greenberg

Starting with the Benefits

If you order something from Amazon and you're part of the Amazon Prime program, you don't think twice about the courier that will deliver your merchandise. You expect that your order will be delivered in two days, whether by FedEx or UPS or another service.

But let's say that you don't get the goods in two days. What happens?

You query Amazon about the package and try to find out why they failed to meet your expectations.

Note something very important here. I didn't say you query FedEx or UPS. I said Amazon. Yet if the problem is with the shipping, the likely culprit is the courier, not Amazon.

But because Amazon is the company that you made the purchase with, in your eyes, the culpability for the poor experience rests with Amazon.

Let's say this was seven years ago or so. What would happen next? You'd contact Amazon using whatever channels Amazon made available to you – phone, email, the "contact us" link in the ecommerce site's support area – and wait to be contacted back with a resolution.

The end.

Today, you would likely do all of the above – but you might also voice your displeasure via a social channel like Twitter or Facebook, outside of Amazon's control. If Amazon had a social support team, they might become aware of your complaint and suggest a course of action via the same social channel that they heard you on. If they were monitoring the social web in general but didn't have a social customer service team, they may become aware of it and contact you via one of the channels they make available to you, which might not be a social network.

Remember this story while I tell you another one.

Procter & Gamble (P&G) is one of the most advanced companies on the planet when it comes to their involvement with customers, going far beyond basic CRM. P&G's commitment to their customers extends to every facet of the company, including the back office and supply chain. Let me illustrate.

P&G uses a technique called "pricing from the shelf back" to optimize their supply chain. The concept basically says, "Find out what the customer is willing to pay for an item and once you have this information, re-engineer our supply chain around the pricing of this product (plus of course our desired margins). That way we can get it out the door to our customers at the price they want." Needless to say, many other factors go into ensuring this supply chain effort is successful. However, the most important factor is the mechanism they use to answer their pricing question.

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P&G created and runs a social network called Vocalpoint for women, many of them moms, to access and share information on house and home, kids and family, food and cooking, health and fitness and more. With more than 600,000 moms and other women – each of whom has a network of 25 other women – Vocalpoint has a theoretical reach of at least 15 million people.

P&G will send a targeted segment of these women a product for distribution amongst their own networks. They ask that the recipients distribute the product samples for use in a natural environment. No surveys, no focus groups, no Tupperware-ish parties. Just give out samples and let friends and family use them. Then gather information on price that they will pay and share this information with P&G. This is then applied to the "pricing from the shelf back" research and the supply chain is reorganized accordingly.

To make the right price determination, P&G collaborates with customers via an organized community and retrieves actionable intelligence. But equally as valuable, they expose a large number of women to products distributed by influential members, building greater awareness and uptake than possible with an expensive, imprecisely targeted, traditional advertising campaign. All for the price of samples.

Wow. This is how businesses should collaborate with customers in the 21st century!

Now let's take a look at what we need to be thinking about to transform the business into what industry thought leader Esteban Kolsky calls the "collaborative enterprise."

What Happened?

If this were six or seven years ago, I would be speaking of an enterprise value chain – a seamless interaction between a company's back office and front office and its partners and suppliers. That meant that customer-facing departments (sales, marketing, customer service), the back office (finance, human resources, etc.) and the supply chain (logistics, inventory management, etc.) had to work in a consistent fashion with the company's business partners (complementary services, resellers, etc.) and various suppliers and vendors. Done right, a coordinated enterprise value chain could satisy customer desires for a problem-free transaction, including research on, purchase of and delivery of the products or services that they needed from your company.

But dial ahead to today. A communications revolution has transformed how we interact with one another day to day, hour to hour. Now we expect to be able to communicate via multiple channels – traditional channels like phone or email or texting, as well as social channels such as Twitter, Facebook or YouTube. And we can access these channels over more devices, from laptops to tablets to smartphones. It's changed how we create, distribute and consume information.

A simple example or two. Studies of the Gen Y workforce find that they use mobile devices (smartphones) to text more than call. In fact, a Time magazine study in April 2012 found that 54% of the Gen Y "digital natives" (those who grew up with mobile and web technology) said that they prefer texting people rather than talking to them. They also send and receive information via photos they uploaded to the web more than they call. In other words, so-called smartphones are more than just phones—they're smart devices. Think about it. With a smartphone, you can create a photo, upload it to Facebook and exchange comments with your friends within a matter of minutes. If I said this same thing to you 15 years ago, you'd think I was nuts and have no idea what I was talking about. But today this seems, well, ordinary, doesn't it?

The results of this communications revolution are notable:

- **Customer expectations have changed.** We now expect a real-time or nearly real-time response to our communications with others – be they peers or organizations. While expectations as to how quickly we get that response vary from channel to channel, we are no longer satisfied with waiting for a response that takes days. Hours is our deadline. For example, a study by Toister Solutions on email response time (2011) found that 88% of the respondents expected an answer in a day, with 25% of the respondents expecting a response within four hours or less. In a different study on social media response time, Edison Research (2012) found that while 67% expected a same-day response, 42% expected that response to be in an hour or less! Expectations are considerably higher than they have been in the past.
- **The people we trust have changed.** Conducted annually since 2000, the Edelman Trust Barometer surveys the general public on their most trusted sources for information and opinions. If you look at the survey's results from 2003, you find that the most trusted sources were (ironically) financial analysts and industry experts. That year's survey had a category called "a person like me," meaning a person of similar interests that you could identify with. It wasn't "someone you know." It was a person that you perceived to be a trustworthy source because of those like interests, even though you might not know their name. In 2003, 21% of respondents trusted this source. But in 2004, it changed. A "person like me" became the most trusted source for 51% of the respondents and it has since risen to a high of 65% in 2012. The nature of trust has changed, with peers displacing experts in terms of influence.
- **The rules of engagement have changed.** Several years ago, there was a huge flap over the idea of BYOD – bring your own device – to work. Historically, companies tightly controlled the use of mobile devices in the workplace. This is largely the reason that the now-struggling RIM was so successful. RIM's back-end administration and security was on steroids – a highly manageable set of controls that gave the enterprise ironclad power over how mobile devices were used by employees and how customers could be communicated with. However, roughly since the advent of the iPhone, this has fallen apart. Because IT has been consumerized, which is a jargonistic way of saying people are using the technology they use at home in the workplace, rules of that workplace be damned. Companies are making adjustments to accommodate the new BYOD expectation. For example, CSC allows you to use your device from home at work and has the technology to support it. But what you have to agree to do is to effectively allow a portion of the device to be walled off for control by the company via administration of the corporate information that will be accessed or pushed to that device. The company secures a section of the data storage on the device and it is used ONLY for CSC business. The rest of the device is whatever you want it to be.

The Social Customer

All of these changes have led to the emergence of a clearly identifiable social customer. These are tech-savvy customers who communicate about brands and with brands using the channels of their choice. They also use channels that the company doesn't control to communicate with their peers – their most trusted sources.

What distinguishes social customers is their use of technology to leverage that trust to unprecedented scale. That means that if they have a gripe or, conversely, they love your company, they know how to communicate with their peers about you. They send a tweet on Twitter or retweet a trusted peer's comment. They post a message on someone's wall –

including their own or a company's – on Facebook. They put up a blog post or respond with comment on a blog. Maybe they write a review on a crowdsourcing site like Yelp or post a video on YouTube or start a group discussion on LinkedIn or pin something on Pinterest. In other words, they use the tools they have to communicate their opinions to those who might respond. They have gained the leverage of action or the threat of action – both of which are powerful incentives for business to respond.

The New Expectations

What all of this leads to – from peer trust to device independence, to the speed and responsiveness of communications – is a newly minted set of five key customer expectations that businesses must consider:

1. **Customers expect personalization.** Customers aren't interested in being seen as a demographic; they want their individual desires fulfilled and expectations met. They want you to know them uniquely, even if there are 250 million customers in your customer database.
2. **Customers want control of their experience.** Customers want to be able to own what they do with you. They don't want generic messages pushed at them. They want to decide what content they consume from you and how they do that. They want to determine what they buy, when they buy and how frequently they buy from you.
3. **Customers expect to have direct interactions with the company.** They now expect that they can reach out to executives and "speak" to them – at least digitally. They want to be able to reach people at your business to solve a service issue, ask a question or express their opinion. They expect the employees they are speaking to be empowered to do something about whatever it is they need done.
4. **Customers expect transparency.** They demand the information they need to help them make an intelligent decision about how they want to engage with your company.

Of course, not all customers have all these expectations, but as more digital natives become increasingly embedded in the workforce and their income grows, these new expectations will become increasingly prevalent. Companies face dilemmas and risk in satisfying these empowered and connected customers, as the following example shows.

Comcast pioneered social customer service with "Twitter-as-a-customer-service channel," thanks to the ministrations of Frank Eliason (now an SVP of Social Media at Citigroup). Comcast was wildly successful through this channel, with response times to customer questions or complaints in the range of two hours. But because the company treated this as a great public relations effort rather than a paradigm for all channels of customer service, it continued to provide poor service in traditional channels. Service excellence over Twitter made the other channels' performance look even worse. Thus, Comcast was ranked by Bruce Temkin in his 2012 Service Experience Index at the near bottom of 146 different companies in both TV and Internet service. Customer expectations are "if they could get two-hour turnaround in the social network service channel, why can't I get that over the phone or email?" Rightfully so, actually.

This highlights a major issue for any company. Social customers can take their concerns to their compadres on the social web and create major damage for a company. The changing expectations can have dramatic consequences, and are forcing companies into a strategic reassessment of how they communicate with customers over both traditional and other channels. In the long run, aggrieved customers won't stay with you because they have so many other options. You need to keep them positively engaged, not negatively attacking.

Customer Engagement

The question is, how do you engage the customer in a positive way? What kinds of interactions provide you with the best results in terms of providing a great customer experience? What do you provide to the customer so that their overarching impression of your company is continuously good?

First things first. Engagement needs to be defined. There is a lot of controversy over what engagement is and its value. Let's start by keeping it simple. Engagement is not:

- Customer intimacy
- Loyalty
- Advocacy
- Determined by the time or the effort the customer makes
- Consistent in terms of the involvement of the customer

Engagement is:

A proactive ongoing interaction with the company at the level the customer chooses and the company accepts. That means that it is incumbent upon business to provide customers with the tools they need to be involved with you in the way that they want to be involved. That gives the customer the ability to decide:

- Which channels they want to communicate with you
- What level – casual to intense – they want to engage
- When they want to engage you at whatever level they've chosen
- The frequency of those interactions
- What results they want from the ongoing interaction

The company decides:

- What the value of that interaction is customer by customer
- How the company wants to interact in each channel
- The response the company wants to provide for each channel and the protocols associated with those channels and the responses
- What tools they want to give the customer
- How they want to adjust their offerings, responses programs and individual interactions based on the customer's response and potential value relative to the cost of the company's effort

Customers and companies alike can derive great value through both casual and intense interactions. If a customer feels valued and positive about her relationship with the company, she will continue to do business with the company and provide the company with value. As long as the customer feels as if she controls the relationship and is comfortable, she has little reason to go to competitors.

Let me give you an example. A small company in San Francisco called Waterfield Designs makes messenger bags and cases for laptops, game consoles, tablets and other devices. Their services are expensive, but they are characterized by three things – the quality of their cases/bags, the styling of their products and their customer service. Their model is a simple one. Provide customers with choices and let them choose and stay in touch with the company in the way customers prefer.

For each item, Waterfield Designs offers a series of modular choices. What color bag, what size bag, do you want a laptop sleeve or not (which one if you do), what strap, what material, etc. You customize the bag by choosing the "modules" that suit you. Then you order and Waterfield Designs provides you with shipment tracking information. If you have a delivery problem, they will personally work with you – without a second thought about whether or not they should – to make sure it's resolved. They also send you emails that are appear to be customized to you even though they are automatically chosen from a templated set appropriate to you. That email is "mass customized" according to your transaction data and customization choices.

Their site has pictures and videos of each product, testimonials from customers and helpful information about what fits what (see Figure 1). Note the multiple options (more than 20) they provide for customers to share information with others on sites ranging from Facebook and Twitter to email and Pinterest.

Figure 1. The Waterfield Designs website offers a range of product information, images, videos and sharing options.

This kind of modular customization is not a new concept, but is essential to a scaled "experience economy," as Joe Pine II and James Gilmore called it in their iconic book, The Experience Economy (written originally in 1999 and now on its second edition). They speak of mass customization, ranging from customers choosing how they want to build their product or service to using the product or service itself to do the customizing. An example of the latter would be Lutron Lighting, which allows you to create the lighting "scenes" you want through options the lighting product provides. Use the product to customize the experience.

By allowing customers to choose how they interact with you, and to select the styles and functions of products and services they want, you enhance the engagement. One of the key concepts in customer engagement is that customers don't just control the experience – they can sculpt it to their requirements. That means that the company provides them with the tools, products and services that they need to do that. That also means that the company chooses what they provide to customers based on what the company can afford and the value generated.

All in all, the concept is that the company gets value in return for providing value to the customer. But there are differences between what customers and businesses perceive as value.

Customer Value vs. Business Value

When it comes to value, you'll see that I place emphasis on right-brained traits – the human behaviors. The reason is that being responsive to customers is about understanding how they behave so that we can serve them better. But at the same time, a business's idea of value is very different than a customer's idea of value, and it's not always easy to find a common ground. Businesses perceive value from a left-brained perspective, e.g., profitability, revenue, meeting KPIs, etc. A customer's perception of value, while multi-faceted, is based on one thing – feeling valued. It is driven by the ongoing experience that the customer has with you and how they feel about that experience over time.

In a sense, it is supported by the simplest possible definition of the objectives of CRM: "If a customer likes you and continues to like you, they will continue to do business with you. If they don't, they won't." While CRM can be complex, the principle behind the strategy isn't.

So how do you translate the customer's desire to feel valued into revenues and profits? Let's look at one of the first attempts to associate revenues with the activity of social customers.

V. Kumar, head of the marketing department at Georgia State University and the Executive Director of the Center for Excellence in Brand and Customer Management, wrote a seminal book in 2008 called Managing Customers for Profit. In this book, he looks at the financial impact of the social customer on the revenue of companies through a study of 15,000 respondents in the telecommunications and financial services industries.

Kumar posits that we have relied on measures like customer lifetime value (CLV) to determine what a customer and his/her household is worth to a company in the span that they are involved with the company. By measuring that present and future revenue impact, we could determine the value of the customer to a company.

But what about the social customer? What about customers whose CLV may be average, but who talk about the company and its products frequently to their networks – a number of whom become customers as a result of their friend's enthusiastic endorsement.

To capture this, Kumar developed an extension of CLV he called customer referral value (CRV), a measure of the indirect revenue impact of the customer on the company. That gives a far better picture of the true value of the customer to the company. Since CLV is defined by direct purchases, it can only give an incomplete idea of the customer's value, leading to missed opportunities.

To measure CRV, four questions need to be asked:

1. Would you recommend this company to someone you know?
2. Did you recommend this company to someone you know?
3. Did they become a customer?
4. Have they been a profitable customer?

This makes for a very interesting model for the business. Not only are you looking at how much the customer and his/her household are worth over their perceived lifetime (CLV), but you can measure how they indirectly impact revenue through their social influence (CRV). This changes how you perceive customer value. For example, maybe they don't purchase that many high ticket items, but they talk up the company a lot to their peers and have driven many customers to purchase from you repeatedly. If you were just viewing things from the pure direct revenue perspective, you wouldn't spend much time on this customer. But because they influence a great deal of purchases, you might be rethinking that.

The customer's perception of value is quite different. They aren't interested in profitability or revenue, they want to feel valued by the companies they do business with. This has several repercussions for the business:

- **Transparency is paramount.** The customer requires information to make an intelligent decision on how they want to interact with the company.
- **Customers have to control the experience.** The company needs to enable customers to control their experiences. For example, Kohler and Company, purveyors of bathroom and kitchen fixtures, runs a www.MyKohler.com website that allows you to create your own bathroom or kitchen plans. You have access to knowledge bases and interactive drag-and-drop tools to plan out your room by dropping in Kohler items. As you do this, it automatically prices those items and keeps a running list. If the price changes, it is reflected in the folder. If the item is discontinued, it tells you. It's a highly engaging, educational planning experience that at the same time locks customers into Kohler products.
- **Customers have to feel valued.** They need to see that your business cares about their input whether it's intensive (e.g., product suggestions and co-participation) or casual (e.g., an opportunity to subscribe to something that might be valuable to them). It's never the discount you offer – it's the reason for the discount that's important. Proof point: If I offered 20% off any item in the catalog for six months straight because you are a valued and important customer or 25% off any item in the catalog for six months straight because you are a pain in the butt, which promotion would you take? If the former, you're a customer feeling loved by the company; if the latter, you have a propensity for sado-masochism. What's important is how valued the customer feels, not what they are getting for it.

Assuming this is an acceptable view of company and customer value, what strategies and programs can you adopt to enable this collaborative enterprise?

Social CRM

The customer strategy that suits a collaborative value chain is social CRM (SCRM). To be clear, this is an extension of CRM, but one that incorporates the new channels and devices of social communication and information creation, consumption and distribution. SCRM is focused on communicating in both social channels and more traditional channels – email, phone, etc. It is a multichannel strategy. It's a dramatic change in the functions, characteristics and features of CRM, but is still based on the time-honored principle that a business needs its customers, prefers customers to be profitable and needs to run itself efficiently, too.

My definition of SCRM seems to be the one that the industry has adopted for now:

"Social CRM is a philosophy and a business strategy, supported by a technology platform, business rules, workflow, processes and social characteristics, designed to engage the customer in a collaborative conversation to provide mutually beneficial value in a trusted and transparent business environment. It's the company's programmatic response to the customer's control of the conversation."

The key to social CRM is defined by how the company responds to the customer's involvement with their brand, whether that involvement is directly with the company or indirectly through interactions with others. That means the company must institute programs, strategies, processes and technologies that support a culture of interactive customer engagement. The right culture is perhaps the most important part of both social CRM and a collaborative value chain, meaning that the company sees the customer (and suppliers/vendors, channel partners and employees) as partners – not just tools to achieve business objectives. The customers become the subject of an experience rather than objects of a sale.

Here are seven key characteristics of SCRM:

1. **360-degree customer view.** The 360-degree view of the customer is no longer optional but required. And it no longer should just consist of complete visibility into such data as purchase or service histories, but should incorporate the customer's "digital footprint" – web visits, social data, interests and likes, and direct and indirect interactions about your brand. This data is used for insights that can be the foundation for actions taken.
2. **Customers as brand advocates.** The optimal customer is no longer just satisfied – he or she is a brand advocate willing to speak favorably about you to their networks. As a business, your objective is to create advocates and settle for loyalty, so to speak. Getting to 100% advocacy isn't really possible, but it's a desirable focus. For example, Karmaloop, an online clothing and accessories retailer, has about 1% of its roughly 1 million member community engaged as "street teams," advocates who generate both indirect revenue through word of mouth and direct revenue by selling the brands that Karmaloop carries via its site. The advocates operate as an extension of the sales force. This is what is called "community retailing." In return, street team members get free clothes, cash rewards and discounts.
3. **Social and traditional channels.** SCRM programs incorporate social channels like Twitter, Facebook and service communities to communicate with customers in combination with traditional channels of phone, email, text messaging, IM chat, face-to-face meetings, etc. Social and traditional channels should be seamlessly integrated so the customer receives a consistent and optimal experience across these touchpoints.

4. **Customer-centric processes.** Internal processes are no longer independent of the customer. Companies need to assess how business processes impact customers, as well as how customers impact processes. For example, several years ago, a company used a very efficient financial process that saved an estimated $40,000 per year. But they discovered that when they added an ecommerce channel, this new process required customers to enter the same data twice on web forms – leading to irritated customers. They eventually scrapped the process and sacrificed the annual $40,000 savings. Better savings lost than customers lost. Processes need to be customer-centric (see the Procter & Gamble supply chain example earlier). The days when one department could manage its own processes and systems in a silo disconnected from others key functions are behind us. If interactions between different departmental processes (or lack thereof) negatively impacts the customer experience, you won't be able to compete effectively in the future.
5. **Systems of engagement.** SCRM technologies incorporate social channels and systems of engagement, not just systems of record. A system of engagement is defined by its ability to keep the customer involved with the company. The system of engagement doesn't replace the system of record – it is integrated with the system of record. It is a way of capturing information about a customer in real or near real time based on the customer's interactions with the company. The information is then incorporated into the system of record and used to analyze the possible future behavior of the customer. Based on that analysis, programs are put into place, activities are defined for the customer(s). This is what is meant by actionable intelligence.
6. **Real-time data access.** All customer-facing employees need to have anytime, anywhere access to real-time data so they can satisfy customer demands for timely and accurate answers and ensure a consistent customer experience across departments. Similarly, web stores and customer self-service web portals need to be tied to this same universal customer database in real time so that everyone is on the same page, leading to a better overall experience. As importantly, this information needs to be mobile and global. Both customers and employees should be able to access this critical customer information from the office, while traveling, from home and across different geographic regions – regardless of the device being used.
7. **Alignment with sales, marketing and service.** Social CRM practices and supportive technologies need to align with traditional sales, marketing and customer service functions (e.g., managing a pipeline, email marketing campaigns, service agents in call centers) as well as:
   - **Collaborative selling.** Salespeople should be able to leverage the full range of company resources and experts in a collaborative framework aimed at driving increased sales.
   - **Social marketing.** Running and measuring campaigns that utilize social networks, such as a Facebook campaign to drive sales of a particular product in a retail chain or online, should integrate with the social CRM initiative.
   - **Social customer service.** Social channels can be used to communicate with customers, answer queries and onboard the case management process. I once had a Verizon Wireless social media supervisor request that I follow them on Twitter so I could direct message my phone number for a call.

The Collaborative Value Chain

So, given all of this, what does it mean to have a collaborative value chain or collaborative enterprise? What does it look like? Take a look at Figure 2.

The collaborative value chain involves every facet of a company – from its front office (sales, marketing and customer service) to its back office (financials, human resources, supply chain). It also involves the front and back offices of a company's partners and suppliers. What distinguishes the collaborative value chain from the enterprise value chain (EVC) is the addition of customers, with their own "personal value chains" (PVC) – the institutions and individuals they utilize and interact with.

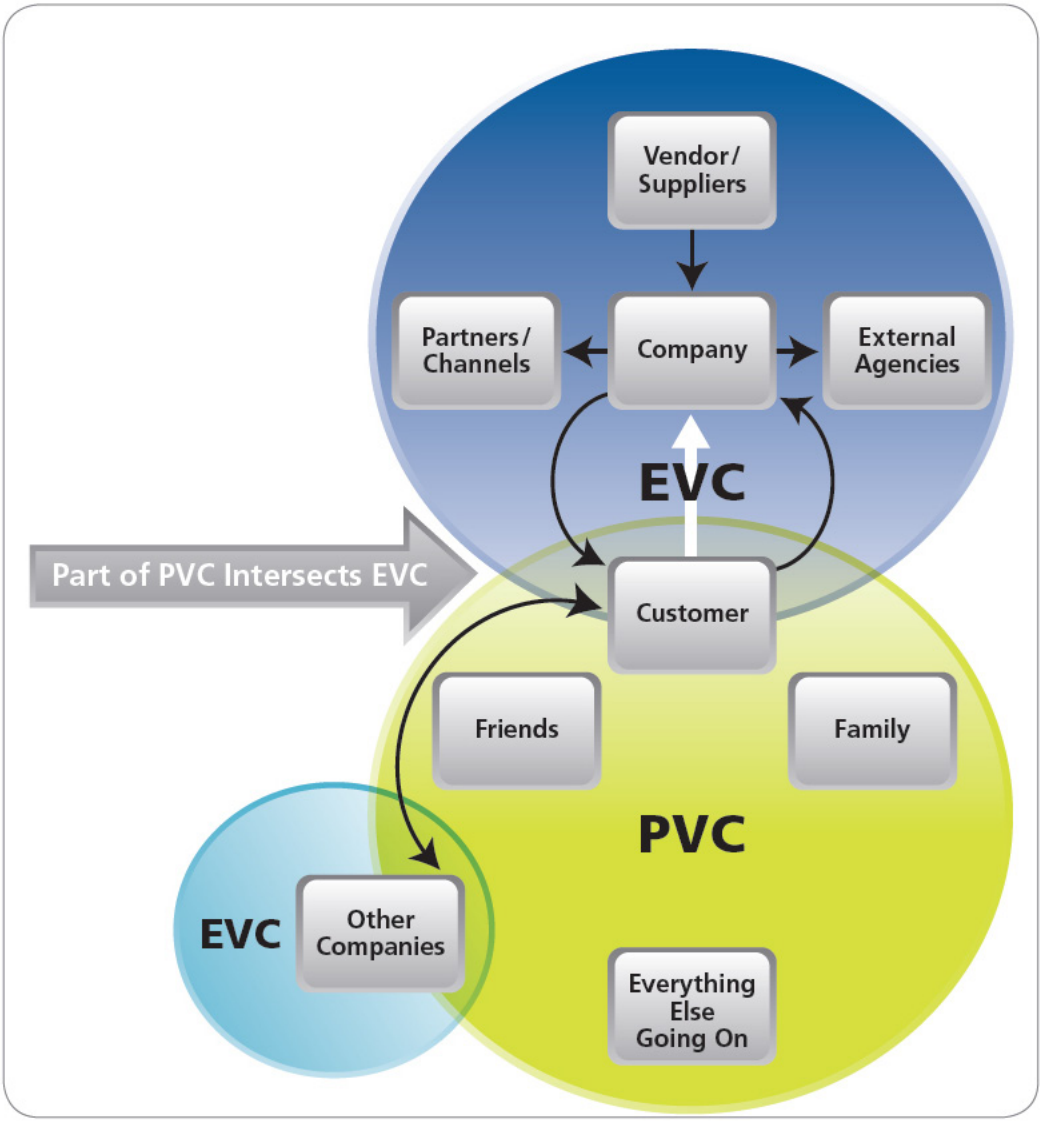

Figure 2. The collaborative value chain results from the intersection of the enterprise value chain (EVC) and the personal value chain (PVC).

This model is interesting because the key variable is the customer. How customers involve themselves with a company is up to them, but it's important for the company to understand. Meaning, there needs to be a reason that a company lets the customer get involved. For example, Capgemini did a global study in 2012 called "Customer Co-Creation: Beyond the Hype." Co-creation is the most advanced level of involvement by customers in a collaborative enterprise. According to respondents to Capgemini's survey, the greatest drivers behind co-creation efforts are to understand new needs (75%), gain competitive advantage (73%) and improve customer loyalty (67%). The top three benefits that respondents reported were new products and services (60%), competitive advantage (57%) and new customers (42%). So the drivers and benefits of cocreation are aligned – a good thing.

The intersection of the extended enterprise value chain and the customer's personal value chain creates the possibility for a collaborative value chain that engages the customer in the activities of the business to provide both the company and the customer with what each needs from the other to derive mutually beneficial value.

Transparency and authenticity become more than buzzwords because for customers to decide how they are going to interact with the company and the level of that interaction, they need that visibility and honesty from the company. Companies need to decide whether or at what level to allow the customer to have that increased level of knowledge, access and honesty.

If these aforementioned conditions are met, the customer is afforded the ability to co-create – ranging from collaboration on product development, customer suggestions on how to improve a company process, customers helping other customers solve product or service issues and much more. Co-creation is the ability of the company and customer to create additional value for each other and is a core concept in a collaborative enterprise or social business.

The other side of collaboration is the internal side – collaboration between the back and front office, and collaboration with partners and suppliers. The back office (including finance, human resources and supply chain) needs to work seamlessly with the front office for the collaborative value chain to work. If a customer wants to order an item through a sales representative or the website, he or she expects to be able to learn immediately whether the item is in stock, either from the sales representative or the product web page. After placing the order, upon visiting the customer web portal, the customer expects to see the order and fulfillment status in real time. For the customer to receive an order quickly and correctly, order management, inventory and fulfillment processes must be integrated seamlessly so that sales data transfers automatically through those operational systems. Finally, all customer-facing representatives need complete visibility in to past transactions and interactions to provide the experience that customers demand. Integration between the back and front office needs to be as efficient as possible, making automation particularly important.

Collaboration among employees is another facet of the collaborative value chain. That means the entire company can be a source for intelligence and insight. Collaborative sales (mentioned in the previous section) is a great example of how that works. No longer is it just a matter of a single sales person having to do things by themselves. With the right tools for internal conversation, monitoring activity streams and capturing knowledge in real time (via wikis etc), the entire company becomes a source for information on a particular prospect company. Other examples include a connection to someone at a prospect company from a colleague, engaging an internal

subject matter expert on a topic congruent with a sales opportunity, or a constructive critique on a presentation a salesperson is preparing. The value of this collaboration is quantifiable. IBM found that through global virtual collaboration among its employees, it was able to reduce the time to complete projects by 30%, increase reuse of software assets by 50% and cut component costs by 33%.

Finally, collaboration between your company and its suppliers, vendors and partners needs to be operationally sound, process-driven, contractually clear and financially rewarding to all concerned. Plus, partner collaboration should be entirely opaque to the customer. What the customer sees is your company providing what he or she purchased and dealing with any service issues related to it. Your partners should not deal with any of that.

Remember the example early in this paper about the courier screwup at Amazon? That's a hiccup in a value chain that Amazon (read: your company) has the responsibility for, because the customer sees it that way.

Where do you start to make all this happen?

Starting Steps

1. Know what value you are looking to get and what values your company has. Then develop a mission and vision statement that support them.
2. Make sure that you align your corporate culture with those values and that you can support customers, employees, suppliers and partners in an effort to realize the value and values.
3. Develop programs for both employees and customers that align to the value you are looking to get, the value you are looking to provide and the values that you espouse.
4. Develop metrics to measure success of the programs and incentivize employees with rewards to achieve goals.
5. Modify, eliminate or add processes based on the impact they have on the customer, or the impact the customer has on processes, from marketing, sales and service through to supply chain and financials.
6. Make sure that your customers are involved in the planning through a Voice of the Customer (VOC) program or a customer advisory board.
7. Determine which channels to use to effectively communicate with customers and employees, and which technologies will support those communications. That could range from using Facebook, Twitter and text messaging to communicate with customers to implementing a "bring your own device" BYOD policy for employees. On the technology side, it could mean integrating your various best-of-breed solutions, or standardizing on an end-to-end business management suite to deliver the experience your customers demand.

Summary

This is a primer at best. I touched on a large number of topics without going into great detail about them. But it is a primer on the kind of strategies you need to be competitively successful in the 21st century. It involves your employees, your suppliers/vendors and your channel partners. Now as we progress deeper into the 21st century, it involves your customers and how you handle their requirements and demands. I hope that you can begin to see what your business has to do to meet the needs of the social customer – or for that matter, any customer – in the 21st century. If you can't, shame on me. If you can and don't act, shame on you.

This isn't a 21st century business wish – it's a business requirement. So take this insight and figure out what makes sense for your company. Once you do that, your customers will see that your company – the one that incorporates them into its thinking – makes sense for them.