Measuring the value of social software

Defining a measurement approach that maps activity to business value

Contents

Introduction

Organizations across a variety of industries are leveraging social software and collaboration tools to promote efficiency and innovation. As more and more companies implement social software initiatives to improve communication and collaboration and to drive business results, a key question is being asked:

> *How can we determine if our social software initiatives are successful and are providing the anticipated return on technology investment?*

Part of the answer lies in identifying at the beginning of the deployment what success will look like for the different business uses for which social software technology is being leveraged. Another key piece is establishing a measurement approach that captures information about the usage of social software tools, how they are influencing individual, group and organizational behavior, and what quantifiable business value is being generated from the investment in social software technology.

This white paper will take a look at how to measure the effectiveness and value of a social software initiative, what tools are available to capture key metrics, and what to take into consideration when establishing a measurement approach.

Why measure?

As the popularity of social software for business platforms grows, new challenges are being encountered around how to successfully leverage social software tools.

Gartner predicts that over 70 percent of IT-dominated social media initiatives will fail through 2012.[1] Key issues behind this forecast include the lack of methods, technologies, tools, and skills to effectively design and deliver social media solutions. While organizations are positioned to successfully deploy standard technology solutions, success with social software initiatives requires bridging the needs of both IT rollouts with business-driven efforts to achieve quantifiable results.

Adding to the challenge, Gartner also predicts that only 25% of enterprises will routinely utilize social network analysis to improve performance and productivity through 2015. [2]

These predictions point to potential pitfalls that can affect the success of a social software initiative if steps are not taken during the planning phase to identify how usage of social software can meet objectives that deliver business results. They also highlight a largely untapped resource – social network analysis – that can provide important insight into activities and interactions which can help organizations take prescriptive action to ensure the success of their initiatives.

A comprehensive measurement approach can help address these issues and is something that should be taken into consideration right from the start with any social software or collaboration project. Simply put – a measurement program can help focus attention on what you're trying to do and what success will look like.

On an ongoing basis, measurement can provide insight into the behaviors and relationships that organizations must continue to build in order to be successful. Since social software tools are intended to support the creation and maintenance of these relationships, ongoing measurement of behaviors is important to understanding how successful these tools are for an organization.

Measurement allows us to:

- Qualify the "before" situation
- Set overall objectives
- Define benchmarks for each phase of a rollout
- Provide a control mechanism to keep progress on track
- Provide feedback to users to encourage desired behaviors
- Measure the ultimate level of achievement against identified success factors

Defining objectives

Since there are literally hundreds of metrics that can be captured, it is especially important to 'begin with the end in mind'. Understanding what you are trying to ultimately accomplish will help define the appropriate criteria to measure and which measurement tools to use.
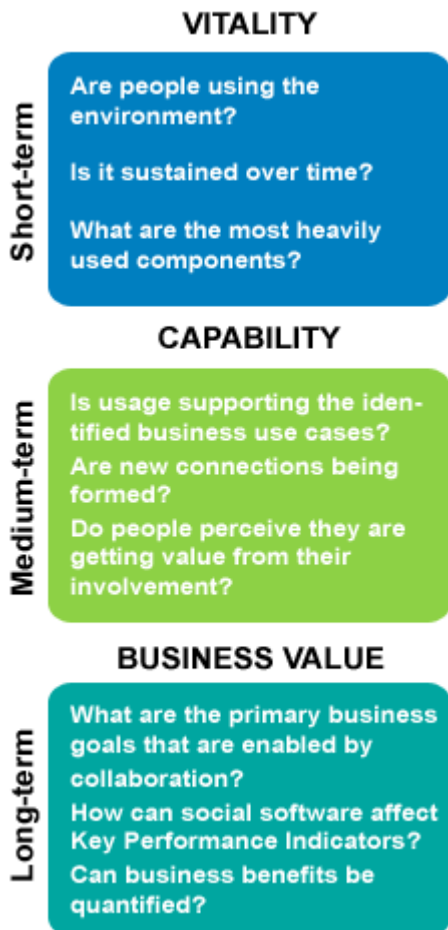
Common business use objectives

Some of the most common business uses for social software include helping organizations:

• Work more effectively across countries and time zones
• Bring together expertise from multiple sites/countries
• Reduce travel costs
• Bring innovations to market more quickly
• Deliver projects in less time
• Resolve problems more quickly
• Retain more of the experience of people leaving the company/retirees
• Enable those working in new roles to get up to speed faster
• Build communities of practice to foster and share key areas of knowledge
• Improve staff retention
• Work more closely with customers and suppliers

Stakeholders

Within an organization, different stakeholder groups will have specific objectives which can range from basic adoption of social software tools to improving the robustness of a particular community to showing overall return on investment. Depending on interest area, stakeholders will be interested in different information that tracks and measures the activities, capabilities, or business value generated by a social software initiative.

Types of measurement

As part of a comprehensive approach, efforts to evaluate the success of a social software initiative should involve three primary measures – vitality, capability, and business value.

Vitality

Vitality examines fundamental measures of user activity such as the number of blog entries posted, reads on a blog, communities created, or profiles updated. These contribution and consumption-based measures provide a good short-term look at adoption by tracking individual actions to determine usage of the technology.

Capability

Capability measures dig deeper into assessing how social software tools are being used to improve the capabilities of the organization. An example of a capability measure could be the ability of employees to locate expertise more efficiently or to more quickly find solutions to problems.

Capability is often measured by user perception of whether a task or activity can be completed faster or more easily. It also can be measured by tracking the frequency and types of interactions, the building of relationships, as well as the creation and the flow of knowledge and information.

Business Value

Business value measures go even further by looking at actual return on investment. These revolve around measuring longer-term achievement toward the key process indicators (KPIs) or key value indicators (KVIs) that are unique to each organization and driven by its business strategy.

Some examples of business value measures are measuring whether a call center can handle more calls or resolve customer calls more quickly, or showing how a new product can be brought to market in less time.

Questions by measurement type

VITALITY

Short-term

Are people using the environment?

Is it sustained over time?

What are the most heavily used components?

CAPABILITY

Medium-term

Is usage supporting the identified business use cases?

Are new connections being formed?

Do people perceive they are getting value from their involvement?

BUSINESS VALUE

Long-term

What are the primary business goals that are enabled by collaboration?

How can social software affect Key Performance Indicators?

Can business benefits be quantified?

Measurement levels

In addition to addressing different types of measurements, it is also important to measure at different levels within an organization in order to see big picture results as well as see more granular results at the group and individual levels.

Organization-wide

Organization-wide metrics are useful in assessing overall progress and setting long-term targets. For many social software products, simple tools are available to track this type of metric. The measurements produced at an organizational level may be difficult to interpret since looking at a large sample can bypass successes at the individual or group/community levels – making it harder to take targeted prescriptive actions to improve future results.

Group/community

Since different stakeholder groups can have different objectives, group metrics can provide insight at a more targeted level by addressing variations in use case and adoption patterns across the organization. They provide a means for tracking business adoption at the community, team or department level. Measuring at this level provides a way to explore how different groups are using different social software tools and why they are doing so.

Individual

Individual metrics can surface information about how people are consuming or contributing content. Looking at individual actions can drive awareness of tools and contribute to long-term adoption. Be aware that tracking information at this level may raise concerns around privacy. If people feel they are being monitored, they may be less willing to participate in measurement activities. Some geographies have data privacy legislation that must be respected.

Levels of interaction

Organization	Total Activity/Usage	Strategic Capabilities	Organizational KPIs/KVIs
Groups/communities	Group Activity/Usage	Group Capabilities	Group KPIs/KVIs
Individuals	Individual Activity/Usage	Individual Capabilities	Individual KPIs/KVIs
	Vitality	Capability	Business Value
	Short Term Objectives	Medium Term Objectives	Long Term Objectives

Measurement tools

The tools selected for measurement should be able to capture vitality, capability, and business value measures as well as track information at different levels (organization, group/community, and individual).

Tools by measurement type

Vitality	Capability	Business Value
Metrics of creation, consumption, membership, etc.	Composite metrics	Key Performance Indicators (KPIs)
	Social network analysis based metrics	
	User surveys	Key Value Indicators (KVIs)

Measuring vitality – Creation, consumption, and membership metrics

Many collaboration and social software tools already have a measurement capability included in them that provide basic metrics. For example, IBM Lotus Connections includes functionality that can track different measures such as blog postings, number of communities, number of bookmarks posted, and many others. This provides a good starting point to get an organizational view of some of the vitality measures.

To extend that functionality, IBM also has developed an asset that works on top of Lotus Connections to provide some valuable additional capabilities. This asset – the Reporting Tool for Lotus Connections – provides the ability to look at historic data and see the trends over time.

The Reporting Tool allows you to compare the level of usage across different objects (blogs, bookmarks, activities). It can also dive deeper than basic organization-wide metrics and look at individual and group results. Groups here can be a community, an organization group, or a group of users in a particular country.

Different modules in the tool provide different metrics. The System Metrics module displays the overall Lotus Connections metrics in both a snapshot and trended over time. The Object Metrics module displays the metrics related to individual objects within each service such as metrics for a specific blog or community. The User Metrics displays selected metrics by individual users. Access to each of these levels of metrics is controllable to protect privacy concerns.

Sample Reports

Blog and Community Snapshot Metrics

Snapshot views generated by the Reporting Tool for Lotus Connections

Lotus. Reporting Tool for Lotus Connections - an ISSL Commercial Asset		
Home	System	User	Object

Blogs Metrics
As of: 05/24/2010 09:07:17 AM

▶ Homepage
▶ Profiles
▶ Communities
▼ Blogs
  Snapshot
  Trending
▶ Bookmarks
▶ Activities
▶ Files
▶ Wikis

Standard Metrics

Metric	Total
Public Blogs	
Total number of published blogs	2263
Total number of group blogs (more than one author)	335
Total number of bloggers	1325
Total number of comments	1661
Total number of tags	2638
Total number of entries	3449
Total number of notifications	623
Number of entries with at least one	
Number of comments with at least	
Number of new blogs created today	
Number of new blogs created last v	
Number of new entries created tod:	
Number of new comments today	

Users

Number of users logged into Blogs	
Number of users logged into Blogs	
Number of users logged into Blogs	
Number of users posting today	
Number of users posting last week	

Lotus. Reporting Tool for Lotus Connections - an ISSL Commercial Asset			Help	Logout
Home	System	User	Object	

Communities Metrics
As of: 05/24/2010 09:09:47 AM

▶ Homepage
▶ Profiles
▼ Communities
  Snapshot
  Trending
▶ Blogs
▶ Bookmarks
▶ Activities
▶ Files
▶ Wikis

Standard Metrics

Metric	Total
Total number of public communities	718
Number of public communities.	
Total number of public invite only communities	307
Total number of public invite only communities	
Total number of restricted communities	998
Number of restricted communities.	
Total number of communities	2023
Number of all communities (public, public invite, and restricted).	
Total number of distinct owners	1811
Number of people who are owners of one or more communities.	
Total number of distinct members	5764
Number of people who are members of one or more communities. This number helps you to determine how many people are	

Sample Reports

Blog Trending Metrics

Trending view generated by the Reporting Tool for Lotus Connections showing new blog entries over a period of time

Measuring capability – Composite metrics, social network analysis and user surveys

Since capabilities are usually combinations of multiple actions, composite metrics or proxies can be used to capture multiple, related measurements. One example of this is a 'return-on-contribution' (ROC) metric for bookmarks by combining the number of times users find content by using bookmarks divided by the number of bookmark contributions. This represents both creation and consumption.

Social network analysis (SNA) can also be used to support capability measurements. SNA metrics can provide important insights into key attributes of the informal network, who is communicating with whom, and if there are network weaknesses in different locations or departments. These metrics capture part of the 'social capital' that is dependent on the use of the informal network within an organization.

IBM offers an asset called Atlas for Lotus Connections that supports expertise search across an organization as well as can extract social network data from the organization such as community membership, colleagues on Lotus Connections, sent email messages, and sent instant messages. Since the information being captured is based on what users are producing in the course of their work, this is a non-intrusive way of capturing real-world behavior.

In addition, structured surveys can be used to collect user feedback. These can capture user perception about whether social software tools are helping to achieve results such as making it easier to locate experts and relevant knowledge to solve problems. When planning surveys, be sure to allow for the gathering of benchmark data on the "before" situation so that you can see the level of change produced.

Measuring business value - KPIs/KVIs

Business value measures can often be captured using measurement tools that already exist to follow key process indicators and key value indicators. For example, if the goal is to measure increases in customer call center efficiency, the tracking tools which that center already uses can be leveraged to measure how long it takes to close the average user call, how many calls the operatives are handling, and so on. These can then be correlated with Vitality and Capability measurements to better understand the contributions that the enabling technologies provide to the business measurements.

Creating a Measurement Approach

When creating a measurement approach, the key is to define the metrics you want to capture in terms of the use cases that are of high interest to the stakeholders and that support specific business objectives.

To determine progress, prior to starting any deployment, capture a "before" snapshot that can be used for comparison.

Steps to creating a framework

1. Identify a specific use case and a clear set of objectives for that use case.

2. Based on your objectives, outline what types of measures (vitality, capability, or business value) you want to capture and at what level (organization, group, or individual).

3. Identify the appropriate measurement tools to track and monitor progress and success.

Sample measurement framework

Use Case			
Use Case Elements	**Vitality**	**Capability**	**Business Value**

Customer support organization needs to work more effectively across countries and time zones

Use Case Elements	Vitality	Capability	Business Value
Employees are able to locate colleagues with needed skills irrespective of their location	**METRICS - CREATION, CONSUMPTION, MEMBERSHIP** % of profiles with skills updated # of searches on profiles # of profile reads	**COMPOSITE METRICS** Return on Contribution (ROC) - # of bookmarks used/ contributed Finding expertise - # of profile searches/updates	**KEY PROCESS INDICATORS** Average time to close a customer request is reduced by x% Customer satisfaction survey shows an improvement of y%
Subject matter coordinators blog regularly to share latest updates in their area	# of blog entries added # of blog authors # of blog entry comments # of blog entry reads	**SOCIAL NETWORK ANALYSIS** SNA density increases SNA density variation between locations reduces Reduction of bottlenecks	Staff satisfaction survey shows improvement in job satisfaction score of support Staff turnover among customer support staff shows a reduction of z%
"How to" wikis are regularly updated by team members and are heavily used to find information	# of wiki edits made # of wiki authors # of wiki entry comments # of wiki reads	**USER SURVEYS** User surveys that show perception of value in: - Locating colleagues/ experts - Finding current content - Staying aware of current knowledge - Ability to collaborate more easily and resolve issues more quickly	**KEY VALUE INDICATORS** Average handling cost per customer request is reduced by x $USD
Activities are set up to enable small teams to work together across time zones to resolve problems	# of new activities started # of activity owners # of activity members # of activity reads		Annual customer support recruitment costs are reduced by x $USD

Getting started

When it comes to helping measure the success of social software initiatives that leverage the different components of Lotus Connections, IBM can help provide both the tooling and the expertise to help define a measurement approach that can help you understand business impact and benefits.

The IBM Software Services for Lotus group can work with organizations to create and apply a measurement framework that captures specific metrics using tools available within Lotus Connections or other tools that are available from IBM including the Reporting Tool for Lotus Connections and Atlas for Lotus Connections. By leveraging different tools in your measurement framework, you can get a more holistic picture of what impact the social software or collaborative environment is having, how adoption is progressing, and how close you are toward getting a demonstrable return on investment from the project.

In addition to helping create a framework, the Lotus Connections experts at IBM Software Services for Lotus can help install and implement the various tooling required and conduct social network analysis to measure the health of social networks within an organization.

Conclusion

Developing a defined measurement approach early in the planning stages and prior to wide-scale deployment of social software tools is essential to the success of your initiatives.

Having a clear idea of what you want to accomplish through your social software initiative by outlining your business objectives and specific use cases will help ensure you reach your goals. The creation of a measurement approach based on these objectives will provide the framework against which you can measure results and support efforts to make adjustments that ensure success.

For more information

To learn more about social software measurement and reporting services and tools, please visit the following Web sites:

IBM Software Services for Lotus

ibm.com/software/lotus/services

Lotus Connections Measurement and Reporting

ibm.com/software/lotus/services
socialsw_measurementreporting.html

Atlas for Lotus Connections

ibm.com/software/lotus/services
atlasasset.html

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[1,2] Gartner Reveals Five Social Software Predictions for 2010 and Beyond, February 2, 2010; http://www.gartner.com/it/page.jsp?id=1293114 | Full report - "Predicts 2010: Social Software Is an Enterprise Reality"