

# insights



## In this issue...

- Online corporate communities
- Working smarter, better, faster and cheaper
- Exploiting opportunities of the New Economy
- Case Studies



Are your people working smarter in the New Economy?

Time and space (like nostalgia) are not what they used to be. These days there's less of the first around and more of the second. But some organisations are finding new ways for their people to work, learn and collaborate - ways which exploit the opportunities of the New Economy.



What is the common thread in the following situations?

**Hallmark's** process for getting customers' real time input to help develop and test new product ideas ....

**Conoco's** process for developing global senior leaders with the aid of online brainstorming, dialogues and best practice sharing .....

**An international pharmaceutical firm** whose world wide HR professionals are building a more collaborative culture using innovative, online work sharing methods ....

**A major office equipment supplier's** approach to helping their diverse 'integrated account' teams to better serve their large global clients and produce new ideas faster....

The answer is that all have innovated using *online corporate communities*. The New Economy is changing the game. So people are increasingly working outside traditional hours, locations, across time, geographic and organisational boundaries. Time, space and business organisation are not what they used to be!



Why are people having to change the way they work?

Phone and video conferencing, emails, knowledge management systems and the internet all help. But they do not do the job well enough.

Key people can no longer get together in the same place, or at the same time, often enough. Increasingly, they need to operate "on the move". So, organisations are having to find more effective ways to do key tasks such as:

- developing strategy
- launching new products
- conducting market research
- developing and retaining high calibre employees

Phone and video-conferencing, emails, knowledge management systems and the internet all help. But they don't do the job well enough.

Hence the growth of online communities. Businesses such as BP, Otis, Xerox, the World Bank, Sara Lee and IBM are all using such approaches. Recently a number of organisations have extended their use and impact in innovative ways.



Examples of how companies are using on-line communities

**Trinity Industries** a world leader in transportation products and services is currently using a world wide on line community of experts to design the railroad tank car of the future. A community of forty geographically dispersed engineers is generating ideas, conducting ongoing dialogues and making critical decisions about the implementation of new ideas.

Hallmark, specialises in greeting cards and gifts and has a huge need to innovate constantly in an intensely competitive market place. Historically good at getting customer input to new product ideas, they have recently created the online *Hallmark Ideas Exchange*. This community of customers (parents of young children) contribute their ideas and feedback online. Specifically they:

- discuss their needs and product preferences
- brainstorm new ideas
- react to pricing suggestions
- comment on merchandising strategy

The input helps Hallmark to develop new products and services that extend the

brand and add significant future revenue. The results have been quickly impressive:

**Innovation:** in the first two months they generated several new product ideas in half the time usually needed. (Successful new products can generate \$10 to \$20m in revenue.)

**Cost Saving:** saved one third of the cost of conducting traditional market research and spent the remainder more effectively.

**Other benefits:** the ability to probe for greater understanding of what customers think and why. Hallmark can now go back cheaply and quickly and ask important follow up questions. Something that is tough with traditional customer focus groups

We are already five months ahead on our research objectives this year and we achieved this at lower cost.

Transora a global B2B e-marketplace for the consumer packaged goods industry, founded by 54 of the largest players (including Gillette, Eastman Kodak and General Mills):

- communicate and collaborate among employees, consultants, investors and customers
- orientate new people quickly and effectively
- retain key people and their knowledge
- execute with innovation and speed
- build a new distinctive culture

Tangible benefits of these online corporate communities were:

**Time to Talent:** learning and productivity are greatly accelerated. Preliminary indications suggest they can reduce the learning curve by three weeks per employee with important cost savings.

**Innovation:** they will get 3-4 good ideas for new/improved service offerings each year. (One new idea successfully implemented can represent revenues of \$50-\$100m.)

**Employee Retention:** learning at e-speed and being quickly "acclimatised" reinforces employee satisfaction and retention.

Learning at e-speed and being quickly "acclimatised" reinforces employee satisfaction and retention

 So what are corporate communities?

The common themes in these and other similar stories is that of online groups ("communities") who share an interest or an aim, determine a key business purpose and set out to achieve measurable results using new internet based working practices and enabling software. There are several types of communities:

**Working Communities**

Connecting colleagues who need to work across time, space or organisational boundaries to:

- implement strategic initiatives
- drive innovation
- share best practice

**Customer Communities**

Using customers to give feedback, help evaluate and propose ideas for product and service improvement. This can mean cheaper and faster 24/7 access to:

- market intelligence
- user groups
- customers' views

**Learning Communities**

Most organisations now see informal learning as more important than formal learning.

Online learning communities can improve the effectiveness of:

- induction
- executive education
- corporate universities
- MBA Programmes

The understanding of how to exploit corporate communities is now available and the important supporting software tools have been created. Time and space problems are being mastered by some of the smarter organisations!

For questions, comments or feedback about Setanta or additional copies of Insights please contact:  
Leo Sudea  
T +44 (0) 20 8342 8082 F +44 (0) 87 0137 8447 E lsudea@setantapi.co.uk

## Latest news...



Setanta is regularly involved with research, conferences, articles and reports.

Please check [www.setantapi.com](http://www.setantapi.com) for the latest information.