Chapter 4

Enterprise 2.0 Management Challenges

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ABSTRACT

The nature of the enterprise and the way people work is changing rapidly. The enabling power and competitive advantage of new social and participative technologies will benefit those that recognize the way work is changing. Web 2.0, the “second phase” of the Web, is the foundation of a new and improved Enterprise 2.0. Enterprise 2.0 provides, through a web of interconnected applications, services, and devices, the capabilities for enterprise employees and vendors to be more competitive and productive and for enterprise customers to be more engaged and loyal by accessing the right information from the right people at the right time. This paper describes Enterprise 2.0 management challenges and issues identified by Chief Information Officers, which include the unauthorized use of services and technologies, the integration of a myriad of technologies and capabilities, and the potential compliance and security implications. The authors have proposed a conceptual framework that explores the relationships of three Enterprise 2.0 dimensions – technology, its use, and how resulting user-generated content may lead to business value – with management implications affecting IT culture and policies within the enterprise. This paper provides observations and suggestions for future research.

INTRODUCTION

The evolution of more social and participatory Web 2.0 services and applications is challenging chief information officers (CIOs) to transform traditional enterprise IT services and applications planning, implementation and adoption into new services that support new applications by enterprise employees, vendors, and customers. David Armano speculated that by 2009 CIOs would learn from early trials of Web 2.0 social media services and be able to transition from a “what” is Web

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2.0 mentality to a “how” social media initiatives should be implemented and supported within the enterprise (Kim, 2008). Preliminary research by the authors has shown that this transition has occurred in several industries – hospitality, tourism, entertainment, but CIOs in other industries are still struggling with how to support social media within their enterprises.

Considered by some to be the “second phase” of the Web, Web 2.0 is a new and improved Web (Anderson, 2007; O’Reilly, 2005). Enterprise 2.0 therefore is the new and improved way for the enterprises to use Web 2.0 services and technologies throughout its supply chain and value-added services. As a result, enterprise Intranet and Extranet services and applications should also be new and improved. For example, some consider the current enterprise Extranet (1.0) to be primarily a functional backbone network that focuses on transactions and is connected to backroom enterprise resource systems (ERPs) and customer-facing relationship management (CRM) applications. A new and improved Extranet (2.0) is formed by merging social media, personalization, and segmentation capabilities with user-generated content, which leads to a more engaging and valuable experiences for users. Web 2.0 principles defined by O’Reilly (2005) could be implemented by the enterprise IT organization executives to better manage this new and improved Extranet 2.0 (Vignette, 2009). Applying these same principles to the enterprise Intranet (2.0) would also enhance employee communications and collaboration, which could lead to increased employee investment and retention.

Three key issues emerge for CIOs as they integrate Web 2.0 technologies and services within the enterprise. The first is that if CIOs do not embrace Web 2.0 services and manage their policies and implementations, employees who currently use these services for their personal use will begin using similar social media and communication channels within their work environment without IT executive involvement (Ward, 2009). The second is that Web 2.0 is a generic concept. It is not simply a new type of technology, nor is it just services. It covers a wide range of media and practices with a wide range of definitions and benefits. For example, employees have adopted different terms for social media connectivity such as “social networking,” “open space,” “personal space,” and “online communities” (Eccleston & Griseri, 2008). Finally, Preston (2009) points out that the enterprise IT executive compliance and security responsibilities will continue to increase, the third major Web 2.0 key issue. Today, CIOs are responsible to ensure that their companies comply with financial reporting, privacy, and security regulations. Social media services increase concerns for the protection and safety of personal and corporate data including intellectual property as well as the unintended consequences of these new services and cyber-risk assessment and protection (Barkiewicz, 2009; Preston, 2009).

This paper describes an Enterprise 2.0 Management Framework for CIOs developed by the authors to summarize what is known and understood about Web 2.0 and to define what is meant by the term “Enterprise 2.0.” The authors discuss enterprise business implications and issues comparing old Enterprise 1.0 to new Enterprise 2.0 services. This framework focuses on the relationships of three dimensions of Enterprise 2.0: What are different Enterprise 2.0 technology tools? How do employees, customers, and vendors use these tools? What new user-generated information content is created? By considering the organizational culture and management policies implications, these new Enterprise 2.0 services can be used to create business value. Based on theories and practices identified in the literature, this framework can be used to identify issues regarding the use and management of Enterprise 2.0 services and technologies as they affect the IT culture and policies within the enterprise. Additionally, this framework can be used to create a future research agenda.
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