



Enterprise 2.0 and Social Media in Business (Survey 2010 - Finland)

The survey shows that in Finland, Enterprise 2.0 is currently at the early (but accelerating) adoption stage, where competitive advantages will come to those who embrace the new tools and business models. [Read more.](#)

About the Survey

Growth Lab Consulting, a collaborating member of the Winnovation Network, is proud to present the results of the first survey conducted among Finnish organizations and businesses at no charge. In this way, our knowledge can be leveraged by Finnish organizations and businesses to the benefit of both employers and employees.

We would like this survey to be distributed as widely as possible. Please feel free to distribute it amongst peers and colleagues. To download the report, please go to slideshare.net where it will be made available from 10 March 2010 and onwards.

Process Used and Survey demographics

The results of the survey in this report are made independent of any vendors or company. The survey was taken by 178 people working in Finnish organizations and businesses between 20 January and 19 February 2010 using a web-based tool.

The survey was initially announced in the LinkedIn group: "Social media in business – the Next Revolution" and email invitations were sent to people who signed up for the seminar in December 2009 co-organized and co-sponsored by Winnovation Network.

Survey demographics can be found in Appendix A.

About the Author

Growth Lab Consulting is an Enterprise 2.0 and social media in business consultancy based in Helsinki. We help clients in accelerating growth, innovation, productivity and transformation via the benefits from Enterprise 2.0, social software and business solutions.

About Winnovation Network

The Winnovation Network is a recently established Enterprise 2.0 and social media partnership network, which consists of Ethos Technologies, Fifth Element, Growth Lab Consulting and Zipipop. Markku Silén, former head of Accenture in Nordic, is the Chairman of Winnovation Network and a shareholder in all the entities.

Summary

In Finland, Enterprise 2.0 is currently at the early (but accelerating) adoption stage, where competitive advantages will come to those who embrace the new tools and business models. In today's economic climate, that can mean the difference between survival and failure for many companies.

Enterprises and organizations in Finland have found Web 2.0 tools to be effective in reducing costs, however, Finnish organizations and businesses are still early adopters when it comes to the use of Enterprise 2.0 and web 2.0 for revenue growth and innovation.

More than 50% of the respondents in Finland have not yet achieved business benefits from interaction with their customers or partners, (38% have neither from employee collaboration) either because they are not using Web 2.0 for one of the purposes (to improve employee, customer, partner collaboration) or maybe because they still need to learn how to measure and achieve benefits with the concepts and technologies they are using.

This result is clearly lower compared to McKinsey¹ global 2009 survey. According to that survey 69 percent of the respondents report that their companies have gained measurable benefits from using social media in business.

By Enterprise 2.0, we mean the use of emergent social (and people centric) software platforms and solutions by businesses and organizations in pursuit of their goals. The term "Web 2.0" is commonly associated with web applications that facilitate interactive information sharing, interoperability, user-centered design and collaboration.

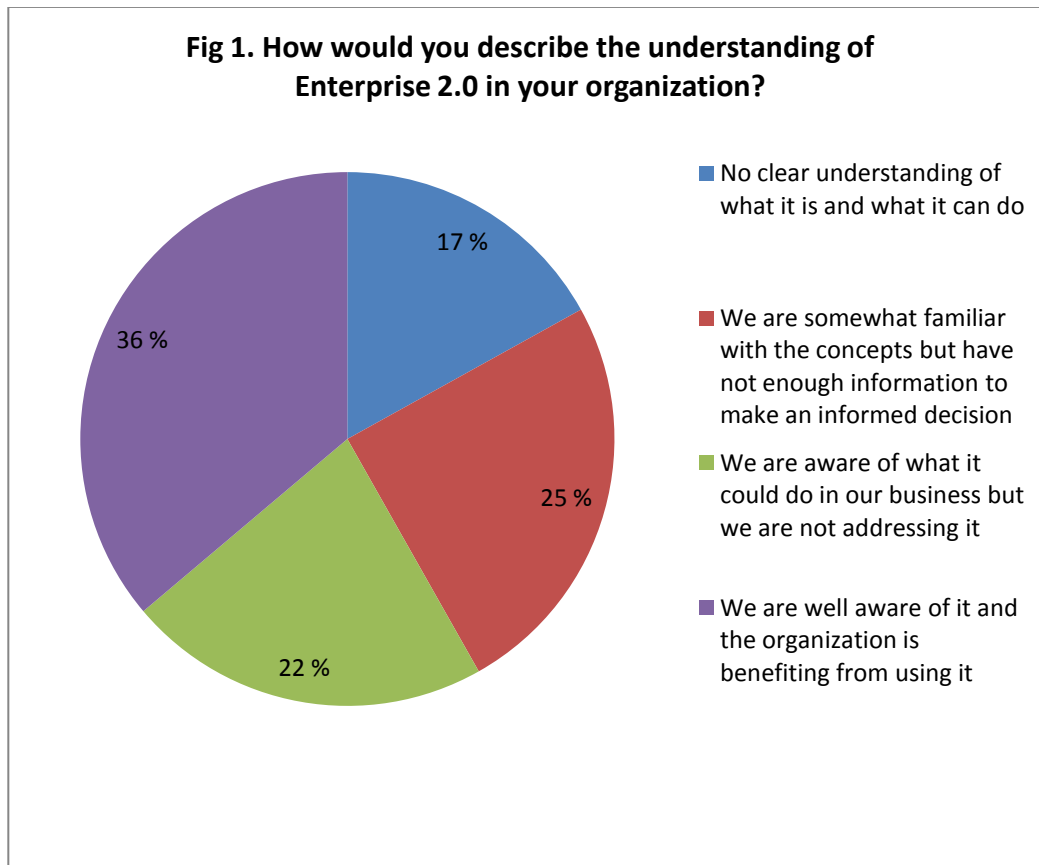
¹ How companies are benefiting from web 2.0, McKinsey Global Survey 2009, 1700 respondents, <http://tiny.cc/kcYY8>

Key Findings

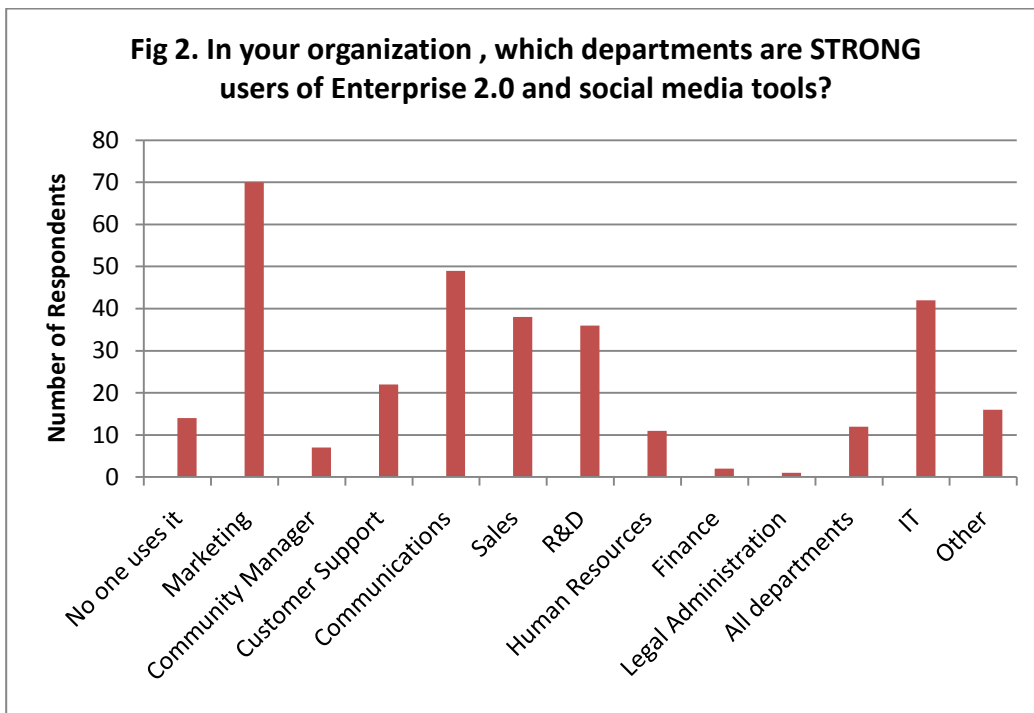
- 36% of our sample of Finnish businesses and organizations have a comprehensive understanding of what Enterprise 2.0 is and how businesses and organizations can benefit from it. 17% of the respondents have no understanding of what it is.
- Lack of understanding amongst management, corporate culture and insufficient priority are the biggest barriers to wider adoption of Enterprise 2.0 in Finnish organizations and companies.
- 38% of the respondents do not have any measurable effects from using Web 2.0 tools for employee collaboration purposes. 42% state that the use of the tools has increased the speed of access to knowledge inside the organization.
- 54% of the respondents have not had any measurable effects of using Web 2.0 technologies for customer collaboration. 24% have seen increased effectiveness in marketing
- Marketing (39%), and communications (28%) departments are the strongest users of Enterprise 2.0 and social media tools, and 8% (14 respondents) stated that it is not used at all in their organizations.
- Professional networking sites such as LinkedIn are used almost three times more than corporate social networking solutions.
- Platforms with collaborative features are only used by 29% in their current business environment, and technology solutions for location-based services (10%) and mobile workforce (16%) score low in user-experience.
- Only 20% have measured an increase in access to knowledge by using Web 2.0 technologies for partner collaboration purposes, and 52% have not yet had any measurable effects from using partner collaboration technologies.
- 30% do not know in which of the Enterprise 2.0 areas their company will invest in during the next 12 months. 40% state it will be in social media strategy development and 30% equally in initiatives for employee and customer collaboration.

The State of Organizational Use

Understanding of Enterprise 2.0 and how it could help businesses and organizations is still in its early days in Finland. 17% have no clear understanding of what Enterprise 2.0 is, 47% are somewhat familiar or aware of it but are not addressing it. 36% are already benefiting from it.



Looking at the enterprise-wide usage of Enterprise 2.0 and social media, 39% of the respondents mentioned the strongest usage being in marketing, with only 7% stating that usage happens across the enterprise.



Internal Business Drivers and Barriers²

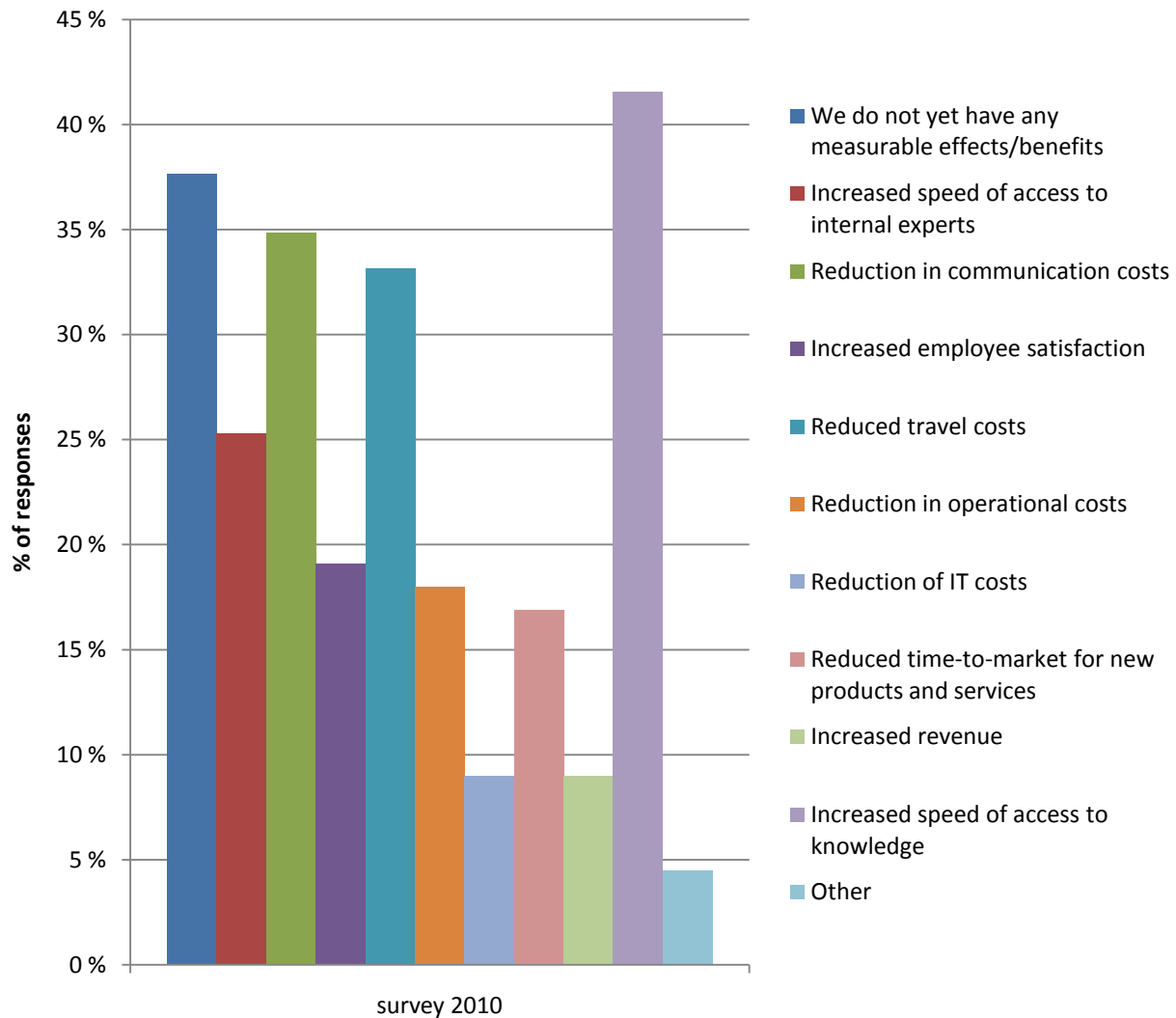
As might be expected, increased speed of access to knowledge is a key driver within Finnish organizations and businesses with 42% of respondents having gained measurable effects. This result is though 26% lower when comparing it with the McKinsey³ global 2009 survey. Comparing the surveys, it clearly shows that Finnish companies are not as good as global companies in translating their implementations of Enterprise 2.0 and social media into measurable benefits. 38% of Finnish businesses and organizations asked have not recorded any measurable results from employee collaboration with Enterprise 2.0 initiatives, which is only 8% in the McKinsey survey.

In the Winnovation Network 2010 survey, there is no one tangible savings, which stands out from the others savings suggested. Tangible savings such as reductions in travel and communications costs score high and outweigh the more 'soft' benefits overall – see figure 3 below.

² People may have selected more than one checkbox, so percentages may add up to more than 100% in tables.

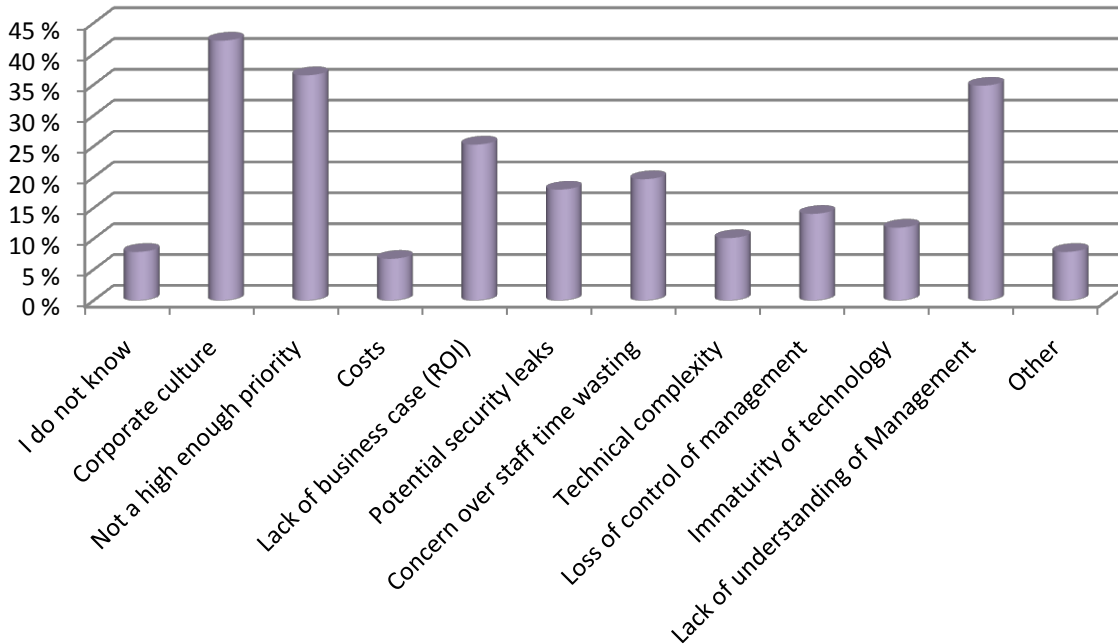
³ How companies are benefiting from web 2.0, McKinsey Global Survey 2009, 1700 respondents, <http://tiny.cc/kcY8>

Fig 3. Which of the following business benefits has your company gained as result of using web 2.0 technologies for EMPLOYEE collaboration purposes?



The largest barriers to wider implementation of Enterprise 2.0 across organizations are: corporate culture, insufficient priority and lack of understanding by management. The lack of a business case is stated by only 25% as a challenge.

Fig. 4. Which of these are the biggest challenges to wider implementation of Enterprise 2.0 in your organization?

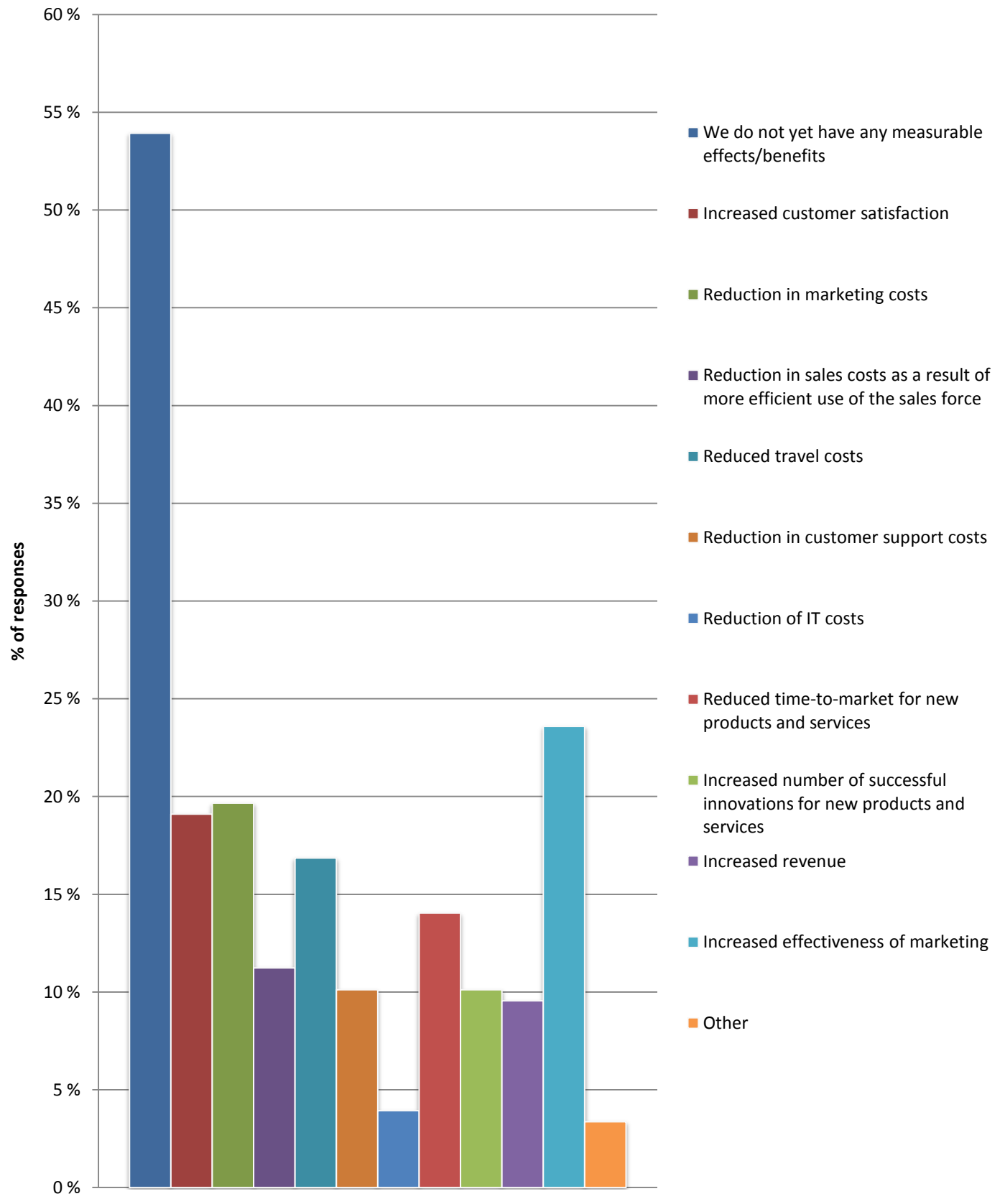


Benefits beyond Organization borders⁴

Looking beyond organizational borders, Finnish companies seem to struggle to achieve benefits from better interaction with both customers and partners (suppliers). According to the global McKinsey survey, only 10% have not achieved any measurable effects from customer interaction with Web 2.0, whereas in the Winnovation Network 2010 survey, 54% responded that they have had no measurable gains. In the McKinsey survey, 18% report that customer interactions have resulted in measurable increases in revenue, whereas in the Finnish survey only 10% had measurable gains in revenue increases. Even increased effectiveness of marketing (52%) scored more than twice as high in the McKinsey survey, with only 24% in the Winnovation Network 2010 survey.

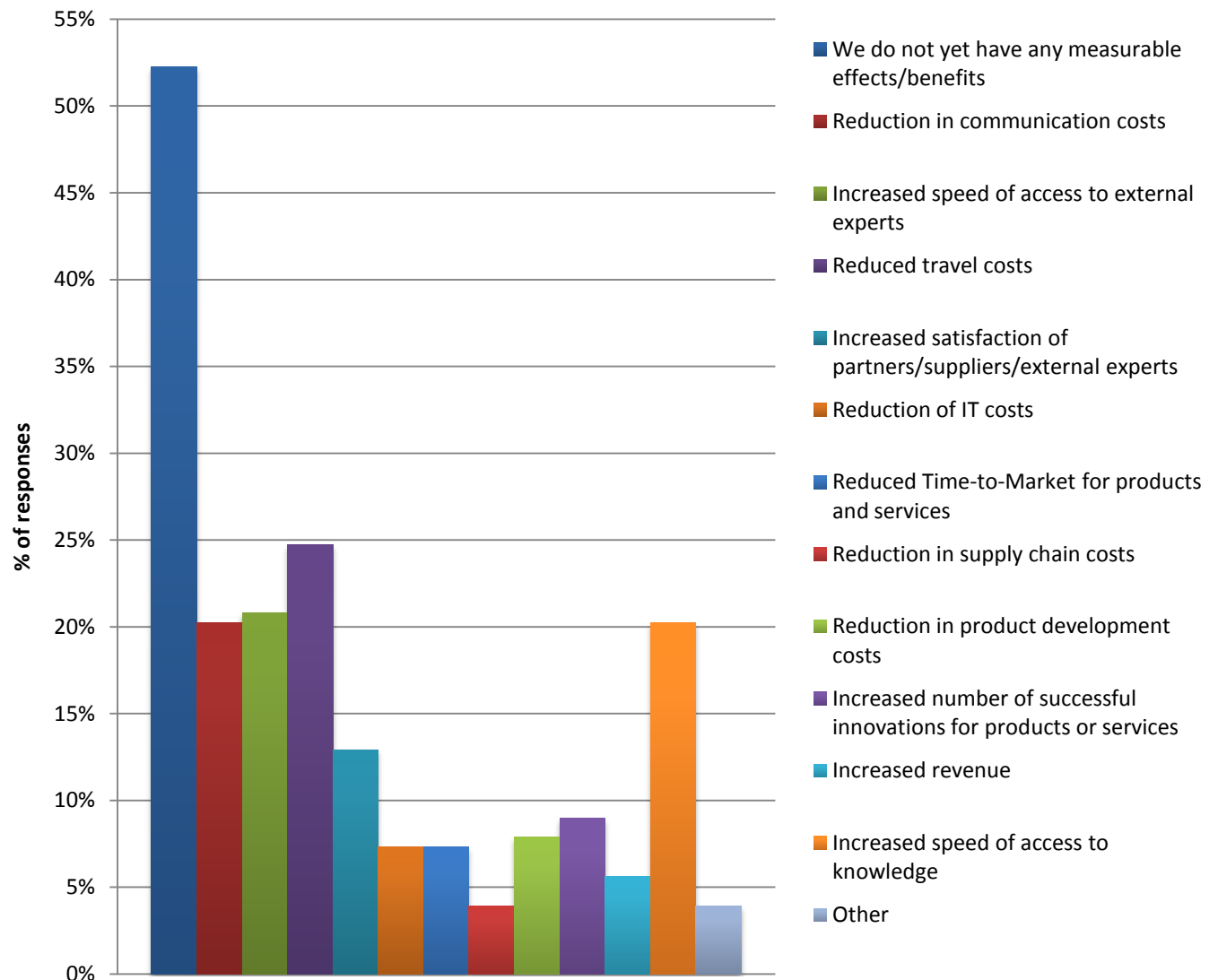
⁴ People may have selected more than one checkbox, so percentages may add up to more than 100%.

Fig 5. Which of the following business benefits has your company gained as result of using web 2.0 technologies for CUSTOMER collaboration purposes?



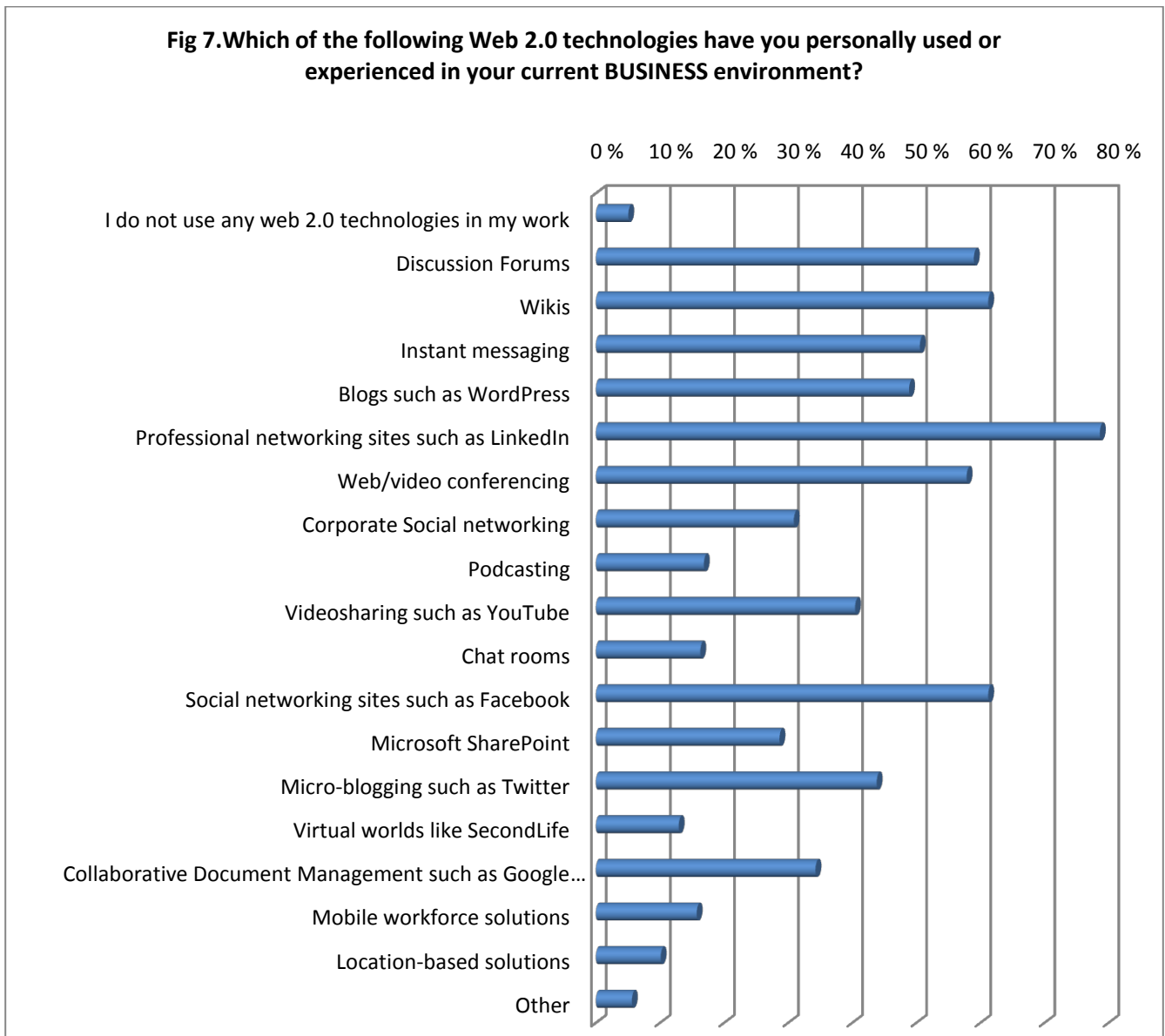
The respondents in the Winnovation Network 2010 survey cite similar lack of benefits relating to better ties with suppliers and partners whereas in the McKinsey survey, only 7% has no measurable effects. Highest on the list of benefits in the Winnovation 2010 survey are reduced travel costs.

Fig 6. Which of the following business benefits has your company gained as result of using web 2.0 technologies for PARTNER collaboration purposes?



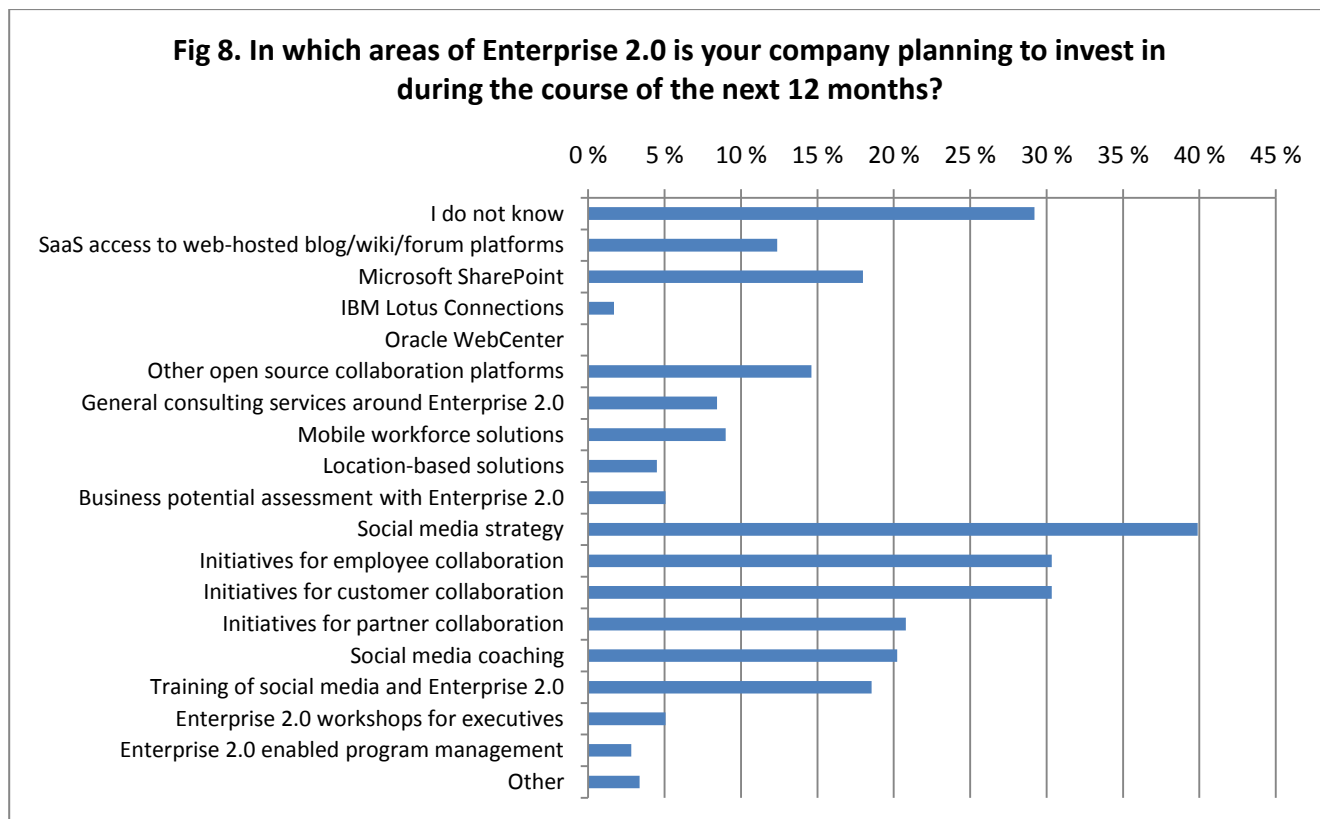
Usage of Web 2.0 technologies and tools

The benefits of using Web 2.0 tools and technologies lie in the opportunity for employee, customer and partner collaboration and by allowing quick knowledge access and sharing. There seems to be an appetite for using all kinds of social networks and tools available online, whereas the use of collaboration suites such as SharePoint and mobile workforce and location-based solutions are still in their very early stages. LinkedIn is the most popular social network site used by 79%.



Spend on Enterprise 2.0 in 2010

Predicting levels of spend for 2010 seems to be a difficult call for the respondents. More than 29% do not know in which areas their organization will invest. 40% stated that spend will be made to prepare social media strategy. Surprisingly, initiatives requiring spending in Web 2.0 technology scored the lowest with Microsoft SharePoint as the highest with 18%.



Closing remarks by Author

The survey results show that Finnish companies and organizations are still early adopters of Enterprise 2.0 and Web 2.0 technologies compared to their counterparts abroad. Across the major usage categories (customers, partners/suppliers), more than 50% of the respondents have not yet achieved business benefits, either because they aren't using Web 2.0 for one of the purposes (employee, customer, partner collaboration) or because they have yet to learn how to achieve measurable benefits with the concepts and technologies they are using. Looking ahead this suggest that there is still plenty of room to grow as more companies endeavor to capture benefits of Enterprise 2.0 and Web 2.0 technologies.

APPENDIX – Survey Demographics

