



# Thoughts on Thought Leadership



## Designing a Thriving B2B Online Community: A Discussion with Vanessa DiMauro of Leader Networks

By Robert Buday, The Bloom Group

*Vanessa DiMauro has become an authority on a topic that many B2B marketing executives are now ardently exploring: building online communities for customers and prospects.*

*The effervescent CEO of consultancy [Leader Networks](#) has designed, developed, and moderated online communities for nearly 20 years, including ones for lawyers ([LexisNexis Martindale-Hubbell's Connected](#) community), practitioners of the [Balanced Scorecard](#) corporate measurement system (for [The Palladium Group](#) consulting firm), wireless industry executives ([Inmobile.org](#)) and health activists ([WEGO Health](#)).*

*DiMauro's first experience with online communities dates back to 1992, when she was a researcher for [Technical Education Research Centers](#) (a non-profit organization focused on improving math and science education). One year after graduating with a master's degree from Boston College, DiMauro was a TERC researcher participating in a National Science Foundation-funded project called LabNet, which became the world's largest online community for science and math teachers. Four years later, she brought her online community-building skills to Cambridge Technology Partners (at the time, a fast-growing systems integrator), where she designed an online community for IT executives called the Cambridge Information Network. In 2000, she moved to trade publisher Computerworld, where she launched an online community, Computerworld Executive Suite, a meeting ground for more than 7,000 CIOs and CTOs.*

*In 2005, after three years at startup CXO Systems, DiMauro launched Leader Networks to advise B2B companies on online community building. Today she runs her firm out of Belmont, Mass., while teaching MBA students at nearby Babson College about online social networking in business.*

*DiMauro recently discussed with Bloom Group President Bob Buday 10 issues on online customer communities:*

- *What kinds of companies need online customer communities*
- *How firms can determine whether they are ready to support a community*
- *How to get community members to interact*
- *Key factors in creating communities*
- *The role of thought leadership in communities*
- *The community opportunities for professional services firms*
- *The three types of communities*
- *How to generate revenue from communities*
- *Key principles of community design*
- *The near-term outlook for communities*

## Who Needs Online Customer Communities?

**Bob:** Where are B2B companies today with online communities? How many are really doing things vs. talking about them?

**Vanessa:** We're early in the adoption stage of B2B online communities. The market is just starting to emerge. That said, these online communities are not right for every B2B company.

**Bob:** What kinds of companies need them and don't need them, and why?

**Vanessa:** From my research and experience, I've seen three hallmarks of companies that have gained the biggest benefits from online communities. The first is firms that have high-value customers – meaning a customer base where either the purchase level is significant, which is often the case with B2B, or there are a range of products and services to offer to the customer over time. In almost all cases, the participants are the senior decision-maker or key influencer. The communities create opportunities to serve the customer better. They provide more white-glove service, access to their peers for ongoing discussion, and thought leadership content to help them stay on top of trends and ahead of the industry curve.

Cognizant is a great example. They are an IT services company that serves a select number of organizations with very significant services. Each customer really matters to Cognizant. The Connected community is another good example. Lawyers are the only buyers of Martindale's products and services, so it is critical for that company to continue to please them in order to sustain customer loyalty.

The second hallmark is that they operate in a highly competitive marketplace. They view their online communities as an important differentiator in developing stronger customer relationships and in spurring innovation. LexisNexis Investigators Network, while only six months old, has been able to use the community to surface three important new features for the firm's Accurint product based on the discussions and needs raised in the community.

The third thing they have in common is that they are in fast-moving industries where the need for rapid information exchange is important. Two communities come to mind. The first is the IntegrativePractitioner.com. This community is focused on serving the information and collaboration needs of medical professionals who practice integrative medicine. The industry is extremely fragmented, with new developments occurring in many different modalities around the world. Because of the rapid pace of medicine advancements, the members of the community rely on the connections and content there to support their current learnings – in addition to conferences and other channels.

The second community is Inmobile.org. It was once the epicenter for the wireless industry leaders. Executives across the wireless and telecom industry shared information in a period of dramatic change. The industry was moving much too fast for executives to rely on the papers and industry events. In fact, most of the members were the newsmakers themselves due to their seniority. So they met online in the community to exchange information, arrange conference calls and meetups, and share ear-to-the-ground information on emerging trends and regulations.

## How Companies Can Determine Whether They Are Ready to Support an Online Community

**Bob:** OK. What I hear you saying is that a B2B firm that fits those criteria should be exploring the creation of an online customer community. If a firm decides it needs one, should it then go full steam ahead?

**Vanessa:** Actually not. The people leading the charge first need to look at their own organization and decide whether it has the right organizational behaviors for an online community to succeed. Transparency, engagement and collaboration are the center of online communities. Organizations that are extremely risk-averse tend not to have the institutional capabilities to absorb and respond to a lot of the customer feedback they get in an online community – ideas, best practices and what have you.

In some highly regulated industries such as pharmaceuticals, companies are constrained in their ability to provide feedback to consumers. The Food & Drug Administration regulates how they interact with consumers. While we have built and have seen fantastic online communities that benefit pharmaceutical organizations, there are limitations around how pharmas can go about community building.

Other online communities must adhere to strict guidelines about who can participate and how. We recently built the business and operational strategy for **LexisNexis's Investigators Network**. [Read about this community in this Leader Networks blog post [here](#).] It's a highly gated, credentialed online community for federal, state and local law enforcement agencies. It has to be a closed environment.

So the first question a company must ask before it dives into an online community is whether it's operationally and culturally ready for one. We advise companies to determine their readiness for an online community before they start building one and often help them through the process. We also have an assessment tool that gauges an organization's "social business maturity level." In essence, it's a suite of parameters to identify their strengths and weaknesses. For example, if your customer service operations aren't strong in the offline world, they're not going to be great online either. You have to get your ducks in a row in order to succeed!

When they feel they're ready for an online community, we then help them define their strategy, or refine an existing one.

**Bob:** Social media has become a very broad topic that includes company blogs, micro-blogging services such as Twitter, social networking sites like Facebook and LinkedIn and more. Gated online communities of the type your firm designs – especially those that sit outside of Facebook and LinkedIn – are another piece of the ever-changing social media puzzle. Where do you think B2B online communities fit in this universe of social media technologies?

**Vanessa:** We see online communities as the centerpiece of social media. When you think about the goals of social media (or social business as a whole, for that matter), building relationships among people is critical. Online communities are the ultimate manifestation of relationship-building activities. They are the best way to build deep online relationships with the people and organizations that matter to your company – customers, employees, suppliers, shareholders, and others.

## Getting Online Community Members to Exchange Ideas

**Bob:** With all the hype today about online communities, I imagine it would be easy for executives to think that they emerged in just the last decade. But your experience goes much further back than that. Tell us more about that.

**Vanessa:** I've been building and doing research on online communities since before the advent of the Web, back in ARPANET days [the precursor to the Internet]. I started out at TERC studying for the National Science Foundation how physicists interacted online through ARPANET with physics teachers and professors.

We used to run these great experiments on what decision-making looked like in an online environment. We wanted to know the point at which conflict resolution, knowledge sharing and relationships began and ended in a virtual setting, where people didn't ever have an opportunity to meet each other. So we'd run all these experiments. We'd send the professors a 300-baud modem and they'd participate.

We'd create conflict among the participants and then turn off the servers and do different exchanges to learn what it meant to be a virtual professional.

**Bob:** What were the biggest things you learned – especially things that still apply today?

**Vanessa:** It was the intersection between the social experiment that we ran and the work that I did with [Don Schön](#) from MIT on reflective learning. With his partnership and guidance, we brought his theories on reflective practice, the idea of how to increase transparency into online settings in which experts come together.

The first thing we learned was the idea that the more you know, the less able you are to articulate *how* you make the decisions you make because you make them so rotely through patterns. If you make a certain decision 50 times in your career, the nuances of your decision-making process aren't as transparent to you as the decisions you've made.

The ability to get experts to make their approaches transparent is the critical success factor for making professional online communities successful. How do you get experts and professionals to share the details of their practice? How do you guide them and intervene in online discussions so they explain how they think about and do things?

These lessons are important for the work we do with B2B online communities as well as intranets or knowledge networks. The human puzzle remains the same whether it is within a project team in an organization or within an organization's clients – a set of customers that constitutes a peer group.

**Bob:** How did that play out in your ARPANET days with the physicists?

**Vanessa:** Our research question was "What are the triggers for engagement?" What steps must you take online to help someone expose and break down the details of his practice, be it a theory or a concept or a practical example? We learned a lot about developing trustful relationships in the online setting. These lessons still play out in today's world with the online communities that we build.

Another thing we learned was how hierarchy or power structures can stifle the exchange of ideas. Very often we find that experienced professionals have a hard time asking questions and exposing what they don't know – especially online where the question is visible to many. Naturally, they are more accustomed to being the expert. So they are less comfortable with playing the role of the learner in a peer setting.

Getting the most knowledgeable members of an online community to more readily ask questions and share information is to change the balance. This can play out in two ways. Sometimes the senior professionals need a safe place to ask questions – like a private online group or a small group conference call or learning session in order to feel comfortable. In other cases, there is a less senior person, perhaps someone at the bottom of the organizational hierarchy, who possesses specific expertise but needs validation to share knowledge among more senior colleagues.

In both cases, the online community host must carefully tend to the risk/reward balance. The more you elevate someone's position of knowledge – you make them an expert, you showcase them as a thought leader – the more likely they ask questions about things they don't know or be willing

to entertain the ideas of others. There's a delicate balance between being a knower and not-knower that needs to be carefully managed in professional settings.

By the way, we don't see this in B2C communities for many reasons. B2B communities *are* the communities in which professionals exchange ideas. But to get them to share knowledge, the community builder must form relationships with them and help them form relationships with other members.

**Bob:** So what's necessary to form online relationships? Sounds like it's easier said than done.

**Vanessa:** It comes down to trust. The members of an online community must trust one another, and they must trust the community organizer. I did a [study](#) on one aspect of this with my research partner from SAP, Don Bulmer. We wanted to understand how online communities are disrupting the traditional decision-making process. We found that trustful relationships are critical both online and offline.

While you don't need to shake someone's hand to demonstrate that you are a trustworthy person, it is easier to gain the trust of people you meet in person. But in an online community, people obviously don't have the ability to physically meet. So the trust must come from consistently providing valuable information – not just taking it in. Reciprocity is critical. You have to give to get. And the more you give, the more you get out of an online community.

Companies that create online communities and want to see them thrive must find ways to get their members actively and continually involved in the communities. It is mission-critical. But it doesn't happen in most communities. Forrester Research reported in 2009 that more than half of online communities fail because they cease to be useful or well-used over time.

## Key Factors in Creating Successful Customer Communities

**Bob:** So what do the successful online communities – which Forrester says are in the minority today – do right?

**Vanessa:** Let me first tell you what the unsuccessful ones do. They focus on the technology for their community. Choosing the right platform is, of course, critical. But the most successful B2B communities I know of didn't focus on the technology. They deeply understood their user needs and how an online community could be useful to those users over time.

The nuances of online relationships are usually overlooked, which lead to a variety of missteps. The first one I commonly see is that the goals of the community and its benefits to members aren't well-defined. You have to explicitly know what you want to achieve *and* the benefits to the users. You must then explicitly and very purposefully design your online community to achieve those benefits. You have to wrap your entire program around it.

Oftentimes B2B companies treat online communities as a social media program or marketing campaign. They wind up focusing on broadcasting information about the company to the members, using the channel as a direct sales tool, and trying too hard to drive conversions and less on servicing customer needs.

B2B online communities need to be seen as a new product – especially if one of the goals is to generate revenue, which is the case for many B2B online communities. Engaging with members may result in new product or service lines, or entirely new approaches to conducting current activities.

Online communities need to be seen as more than just a marketing tool. Ones like Martindale-Hubbell's Connected community or WegoHealth's activists community help an organization deepen client relationships, increase retention and build brand equity, improve customer care, come up with new product ideas, and shorten product development cycles.

If you want your online community to do those kinds of things, you need to do a lot of what I call "pre-shoveling" – architecting and designing the building before beginning the excavation and construction work. Too many B2B online communities go way too quickly to the construction stage without crafting the business plan, understanding the goals and measures of the community and most importantly, discovering client needs and directly connecting the features of the online community to those needs.

**Bob:** If a CMO of a B2B company wanted your help in designing an online community for marketing purposes, how would you respond?

**Vanessa:** That's often the starting point. However, communities cannot be overused for marketing purposes. It's not the greatest end point. Companies need to move beyond that objective. Your customers expect you to connect them with each other so they can collaborate with their peers. They also expect you to connect them to your organization for insights on trends and specialized information. If you turn an online community into a spam-driven, product-pushing marketplace, it violates the social contract of that community.

This is similar to the face-to-face world. You don't go to a thought leadership seminar or conference and expect to be sold to. There's a time and a place. There's often a vendor area. But nobody likes an event that is all product push for the same reason.

I find that many CMOs are strategic thinkers who identify one business goal or opportunity as their starting point for an online community. But we get them to think more broadly about their company's traditional value chain and to look for the intersection points where an online community can be of service to it. When you do that, you can begin to distill broader goals for the community.

They may have an opportunity to improve customer retention. That would mean looking at how the community could be used to onboard new customers and create customer lifecycles that integrate with their traditional customer lifecycles. For example, one community we were involved with, Child Health Corporation of America, is a large organization that represents the business alliance of children's hospitals across the U.S. They are largely a membership organization. Prior to building their online community, they focused the majority of member relations through in-person meetings and tele-seminars. Now through their members-only online community, they can interact with different membership groups around the clock. That makes them better at identifying key trends that matter to them.

The opportunity could also be about improving customer service for an underserved product or for a product for which customers aren't tapping its full potential. In the latter case, your online community would need to educate customers about how others are gaining value from your product or service – creating thought leadership, so to say.

A properly designed online community should serve many of your company's key operational goals – not just your marketing goals. A great way to start is to pick one business process – for example, post-sale customer service or new product ideas. But realize that online customer communities are dynamic. They *must* evolve over time as the needs of your business and customers invariably change.

**Bob:** Have you seen many B2B companies making the mistake of focusing their efforts on marketing to their online communities?

**Vanessa:** We don't see a lot of that. It is more common in B2C communities that are not properly managed. We do see it quite a bit in LinkedIn groups. LinkedIn is a good way for organizations to experiment with online communities. However, the vast majority of the more active LinkedIn groups, which are mini communities in many ways, are just overrun with inappropriate and sales-driven content. They're losing members because of it. It's an early sign of trouble – the canary in the coal mine.

Most of the communities we build are gated or password-protected and have selection criteria for membership. That doesn't mean they're small. For example, the Martindale-Hubbell Connected community for lawyers, which is one of our favorite communities, has about 60,000 members. But it's a select audience. For some of the online communities we've designed, the audience self-selects. Others have screening criteria.

**Bob:** So if a consulting, IT, financial services or other B2B firm creates a LinkedIn or Facebook group and wants to get serious about its online community, it may have to set up its own community outside of LinkedIn or Facebook?

**Vanessa:** We see a lot of organizations that start out experimenting with a LinkedIn group or Facebook fan page and then watch their membership grow. But at some point, many are ready to move to the next state of building a proper, formal online community that they can control and operate. That will require moving off LinkedIn or Facebook.

LinkedIn and Facebook have a time and a place. They're excellent opportunities within the social media marketing portfolio, but for a variety of different reasons from brand awareness, ability to manage a community, and ability to bubble up new features and functions, you lose all control with those platforms.

They're excellent for creating a kernel of an online community and creating brand awareness. But they're not going to yield the same returns as an online community that they invested in and managed properly.

## The Role of Thought Leadership Content in Communities

**Bob:** Let's change subjects a little bit here and talk about thought leadership and its role in a B2B community. You've told us before this interview that you believe such content plays a crucial role. Tell us why.

**Vanessa:** Thought leadership content is a critical part of any community. We like to say that people come for content and stay for community. Great content is what draws people to join a community or get engaged with a social media site. But once they read the material, it's the connections and collaborations they make in concert with the outstanding content that keep them coming back. Great content and great connections are what differentiate an online community.

You spark members' imagination with good thought leadership content. Then they find birds of a feather online – or not birds of a feather, which generates great debates. The combination of content and collaboration is an early indicator of success.

**Bob:** Do the B2B communities that you know have problems creating great content?

**Vanessa:** Absolutely. While they often do the work of identifying and creating great content prior to launching the community, despite the best-laid editorial calendars and planning meetings, many find that sustaining high-quality community content to be a big burden. This is especially true in organizations

where content creation or thought leadership is not a focal point for the organization or ones where they haven't created compelling points of view. If their content prior to the community launch has been largely product-focused, they are likely to struggle with creating strong content for their community over time.

We advise our clients to develop a good content plan. We tell them *not* to identify thousands of pieces of content but rather a handful, literally and figuratively, of great pieces of content – not a junk drawer full of whatever they have laying around. This content has to be relevant, useful and engaging to their members.

Most organizations are adept at finding a few salient pieces. But we see them struggle quite a bit over time to issue a drumbeat of excellent content. Without it, it's harder to keep the community members engaged. What's more, you have new members every month or every week, and to impress them you need fresh and vibrant content.

**Bob:** Can a community organizer be successful if it starts off with great content, builds the connections and the collaboration among members but at some point stops producing great content?

**Vanessa:** Yes, in some cases. It depends on the community and the nature of the group's goals and dynamics. For many of the communities that we build, the key components are collaboration, peer exchange and customer insights and trends.

For example, the InMobile.org community for wireless industry executives had no thought leadership content at all! They limited membership to a highly select group of mobile and wireless executives around the world. The members only wanted access to each other, nothing more. The reason was the industry was moving far too fast for them to rely on conferences and industry magazines for the latest developments. They wanted to hear about what was really going on and right away, which meant getting things directly from the source of "news" – that is, each other. "User-generated" content was what they needed.

But this was an unusual case. Most B2B communities *do* benefit from an infusion of both institutional content and user-generated content. In most of the communities we design, one of our goals is to get 40% to 60% of the content generated by the members for the members. But the rest must come from the community organizer.

Such institutional content can take many forms, from thought leadership papers and thoughtful webinars to primary research with, and for, the members. Community members value such research very highly.

Institutional content brings a new level of vibrancy and relevancy to the discussion and to the community. There's rarely a community that doesn't have a need for some form of institutional content, be it member-driven or organizationally driven. Since most of the communities we build are sponsored by businesses and organizations or derived from them, they have a strong need to keep their thought leadership fresh. They want their members to keep their organization top of mind. They do this by continually bringing significant expertise to their members.

## Professional Services Firms and Online Communities

**Bob:** We spend a lot of time with professional services firms, especially consultancies, on thought leadership marketing. We did a [study](#) earlier this year of 74 U.S. consulting firms and found that only about half of them had gated online communities or "topic microsites" – deep-dive, purely educational websites focused on a single issue. Perhaps such microsites are precursor to a full-fledged online community for a B2B company. But the interesting thing for us was that online communities and topic microsites were the third most effective lead generator out of nearly 30 marketing activities we asked



these consulting firms to rate. So that data suggests that online communities can be very effective for consulting firms. What do you find from your consulting experience? How important will online communities be for professional services firms?

**Vanessa:** I think consulting and other professional services firms have some of the best opportunities for B2B communities because of the nature of their business. They follow trends. They have a variety of services to offer. They have a stable of experts. And they demonstrate and need to continually demonstrate thought leadership and elevate their brands.

They are the model on which community building could and should be built. And the few consulting firms that have communities, like Palladium Group, as an example, have benefited enormously from it.

**Bob:** Tell us more about Palladium, which is one of your clients.

**Vanessa:** Palladium is the keeper of the Balanced Scorecard, the measurement concept created by Robert Kaplan and David Norton. The firm has told us that its online community, which it refers to as XPC (for Executive Premium Community), has generated numerous benefits to date. One is greater customer intimacy. They're in dialogue continually with clients that they used to see only at the point of sale, at their seminars, or in the course of a consulting engagement. So now they're an organization that has many intersection points with clients.

A second source of value is increased cross-sale and up-sale of Palladium's services. What I find interesting is that it wasn't that community members didn't want to buy Palladium's services before. Rather, they were often unaware of the firm's services. The community, thus, has become a good way for members to learn about Palladium's range of services but in a non-selling way.

The third type of value from the community is more proficient clients. XPC members trade experiences with their peers, which has made them better practitioners of the Balanced Scorecard methodology.

The fourth source of value to Palladium and its clients is access to their experts. One expert can reach only so many clients in person. But in an online community, he or she can touch many more. The community is helping Palladium deliver its expertise to many more clients. That enables the firm to be of value to clients 24/7, as well as generate revenue around the clock as well.

**Bob:** Earlier you mentioned that B2B online communities can become good sources for new product and service ideas, and good places to test those ideas. Tell us more.

**Vanessa:** We've seen that happen quite a bit. One community that I ran for many years for Cambridge Technology Partners provided a lot of customer insights on new products to IT vendors like Sun Microsystems. They were a big sponsor of our community at the time. We had one situation where Sun was launching what was then called the B-Box or the network computer. Sun wanted to understand what would attract CIOs to such a computer – i.e., what aspects of the value proposition were most attractive – before it launched an enormous marketing campaign.

We pulled together a good representative sample of CIOs to give feedback in return for getting advanced information about products. What Sun found out is that CIOs loved the B-Box but not for all of the reasons that their marketing campaign was focused on. The CIOs were less interested in the technology as a cost-reduction play and more about its security and durability. They essentially said, "We don't care about cheap as much as we care about the user controls; no one's going to break our system."

Sun quickly changed the messages of its marketing campaign. The campaign and the computer were huge successes.

## Three Models for Online Communities

**Bob:** You have written before that online communities fall into three categories. Could you briefly discuss each one and how they are different?

**Vanessa:** Sure. Because online communities are new to most people, I like to say they're like world peace: Everyone thinks they're a good idea but they mean something different to each person because the market hasn't been well categorized or defined.

In my worldview there are three very different types of communities: information dissemination, shop-talk, and professional collaborative communities. Each has its own set of goals and values. When they work, they all provide value. One is not necessarily better than the other.

Information dissemination communities are those in which the goal of the organizing body or person who pulls it together is to control content messages. One example is the [Method Cleaner's community](#). It's a site for people who love to clean and want to learn more about environmentally sound cleaning products. The community is fantastic. It's a way of gathering up all the "clean" people in the world who love their products – brand evangelists – and educate them about new products, new scents, new and different cleaning tactics. But the community isn't designed to help peers come together. I've never met another person on that community nor will I call them up or e-mail them about products or cleaning tactics. But it serves the business goals for that organization: being foremost in mind and keeping their brand well understood.

The second type of communities – the shop-talk communities – is the one we see most frequently. These communities tend to be the most sizeable and straddle lines between B2B and B2C. They are based on transactional exchanges of information. I call it collaboration and evaporation. Technical communities are the greatest example. Just this morning I was having a nasty little problem with my e-mail so I Googled the problem. I found two communities where other people had experienced the same technical challenges I did. I found a solution to my problem. I posted "this worked for me" and I'm never going to go back.

If I do, I'm probably not going to build a long-standing relationship with the other participants or members of that community. But they are aficionados. This is especially the case in the technical community realm where you get users of the community like Dell or WebMD where people tend to develop slightly more long-standing relationships. But they're really not trying to deepen the practice of anything. They are trying to solve problems people are having at that moment. So it's more of a transactional community. You go in, you get what you need, and in some cases you provide value back and you get out.

The professional collaboration communities are the most difficult of the three to build and sustain. They tend to be the gated ones. Palladium's and Martindale-Hubbell's communities fit this bill. This would be an ideal type of community model for a consulting company or a healthcare company or even a professional organization where it's a community of like-minded professionals who share common interests and really have an interest in developing relationships over time.

They want to be connected to content and each other. And the crucial differentiation there is that they're willing to interact consistently on a longstanding basis. So with shop-talk communities, some people may hang around for months or days but it's not designed for that.

Martindale-Hubbell's Connected community serves the needs of in-house and outside counsel to connect internally within their groups as well as to have ongoing relationships between the groups. The legal sector that serves the corporate world is built upon relationships between outside counsel and inside counsel. This is an online community that enables far better connections between these worlds.

## Community Revenue Sources

**Bob:** With online communities being a relatively new phenomenon for businesses that sell to other businesses, do executives ask you how they will generate revenue?

**Vanessa:** All the time. B2B communities are most often created with the goal of creating revenue. They usually start out with cost-reduction activities and move into salient revenue models.

There's a variety of revenue models based on the organization and the industry. We usually recommend a multi-tiered revenue stream. We work with companies to develop the business and the revenue models. One common source of revenue is the members themselves – charging them fees to gain access to the community. This works for associations and groups with a great deal of valuable content like research firms.

A second revenue source is strategic partnerships, meaning companies that want to sponsor a community in order to learn from the interactions. Several of the health communities sponsored by healthcare firms fit this category.

A third source of revenue for a community organizer is charging other companies that want to get in front of its members and which have valuable and timely information. You could call these firms thought leadership partners. The important thing here is that the community organizer clearly discloses that such information is coming from a sponsor. That helps ensure that you maintain the trust of your community members.

A fourth revenue stream is focus group research —i.e., charging a third party that wants to learn from the opinions of your members.

There are many different revenue models. The ones you use will depend on your business, industry, and community membership audience.

How much revenue and what kinds of revenue an online community generates depend on who it's going to serve and in what ways. In some cases, there are organizations whose content and resources are so valuable that members are willing to pay for access to this private club. Palladium's XPC charges for access. Communities as membership organizations are very similar to trade and professional associations.

In most gated communities, advertisements aren't really a part of the revenue stream because, quite frankly, they are inappropriate. But there are a variety of different ways to create sponsor and partnership models that are beneficial and financially rewarding.

**Bob:** Beyond revenue, are there other potential benefits from an online customer community?

Indeed. One of the greatest benefits, but one of the hardest to measure in dollars and cents, is customer intimacy. An online community can strengthen the bonds or affiliation of a company to its customers.

Martindale-Hubbell's Connected community is a good example. They service thousands and thousands of attorneys with access to legal databases. They now have a great ability in a highly competitive market to offer a combination of the Martindale-Hubbell directory tool, which is access to information, and access to people. They have told me their community is helping them create longstanding relationships with clients.

## Community Design Principles

**Bob:** Let's assume a B2B company has a compelling business case for building an online community for customers. When that firm plans and designs its community, are there any overarching principles to keep in mind?

**Vanessa:** Absolutely. The first thing is to know what you want to build, to develop both a business model and a straw model. An online community is just like any other line of business. You need a business plan – a detailed business plan. You need to determine what audience you will serve, the goals for the community and the core features you think your members want.

Even more important, you must determine the behavioral elements of the community: how do you want your constituency to interact with you and each other? These behaviors will drive the way you engage the members of your community, as well as your main sets of features.

You also need to spell out how you're going to get that audience. Member acquisition is much harder than it looks because you're relying on professionals to give up precious time in their day to participate in your community. Thus, your community must be highly useful to them. You must solve a critical business problem of theirs.

Take Cisco. We helped them design an internal community called the Collaboratory for 20,000 of their strategy professionals (which include anyone in a role to inform or define strategic efforts). They wanted to make better decisions, faster. They had a wiki tool in place but few people were using it. So we worked with them to reshape the community to be more useful, usable and engaging.

In five months, the Collaboratory grew in usage. It also grew in value because an internal knowledge network is only as strong as the amount of information shared within it. It quickly became a vital part of Cisco's strategic planning process. It recently won the firm's collaboration of the year award.

Another example is the LexisNexis Investigators Network. Their business goal is quite simple: to help their clients – law enforcement agencies – fight crimes more efficiently by sharing non-confidential information, trends and best practice online.

After you create a straw model for your online community, your next step is pilot testing. You *must* test it with customers. Many community organizers don't think they need to do this. They think they know what their customers want but they usually don't. For most companies, the initial strawman design of a community – the features, functions, user experience, and so on – is going to be at least 60% wrong. That's a back-of-the envelope estimate, but from my experience it's pretty accurate.

Missing a really important aspect of a community – a key member goal, how to foster online relationships, the type of content that is most useful – can doom a community to failure. You have to reality test your community with your audience to know whether your community model will resonate.

From there you build a business requirements document. This is not a technical document but rather something that delineates how to present content and enable members to interact with each other and the site, user behaviors and all that stuff. This document eventually moves to the technology specifications. While your IT vendor is building the community, you then need to be planning how to recruit members and properly staff and train the people who will monitor, manage, curate and otherwise support the community.

There are several key roles in a B2B online community. One is a skilled community moderator. For some reason, community management often doesn't realize they need to reach out to members and invite them to participate. They need to invite thought leaders in, get them to express their point of

view, ask them questions. It's very similar to that classroom experience of college or high school where the teacher says, "Does anyone have any ideas about what led to World War II?" and they all just sit there. But if someone says, "Bob, what do you think?" All of a sudden your opinion is valued.

This is a simple example. Personal relationships, one-on-one invitations, solicitations and other techniques for generating real engagement can catapult an otherwise dormant community into a vibrant place. But the first three to six months of an online community are just painful.

## Communities in the Near Term

**Bob:** Last question: How do you see B2B online communities evolving in the near future? What do you think they will look like in five years?

**Vanessa:** We're in a period of both convergence and micro-specialization. In some ways there are too many communities out there, too many broad, watery communities. There are many online communities without a lot of member collaboration going on, and one reason is no one is purposefully driving people to interact.

Meanwhile there's a deep need for micro-specialization – that is, communities targeted at narrow segments. Talking to 100,000 of my marketing peers may or may not give me what I need. That's a broad community. But if I could find 5,000 colleagues who just want to talk about online communities, well, now I've got a winner. I've got knowledge to give and share.

Over the next five years online communities will become an essential part of many B2B companies' portfolio of customer care initiatives.

*More information on Leader Networks can be found at [www.leadernetworks.com](http://www.leadernetworks.com). Vanessa DiMauro can be reached at [vdimauro@leadernetworks.com](mailto:vdimauro@leadernetworks.com).*