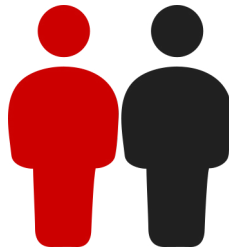


SOCIALLY DRIVEN COLLABORATION



WHITE PAPER, SURVEY & INTERVIEWS

Socially Driven Collaboration

Sponsored by Oracle

Survey by Social Media Today and Leader Networks

Analysis by Leader Networks

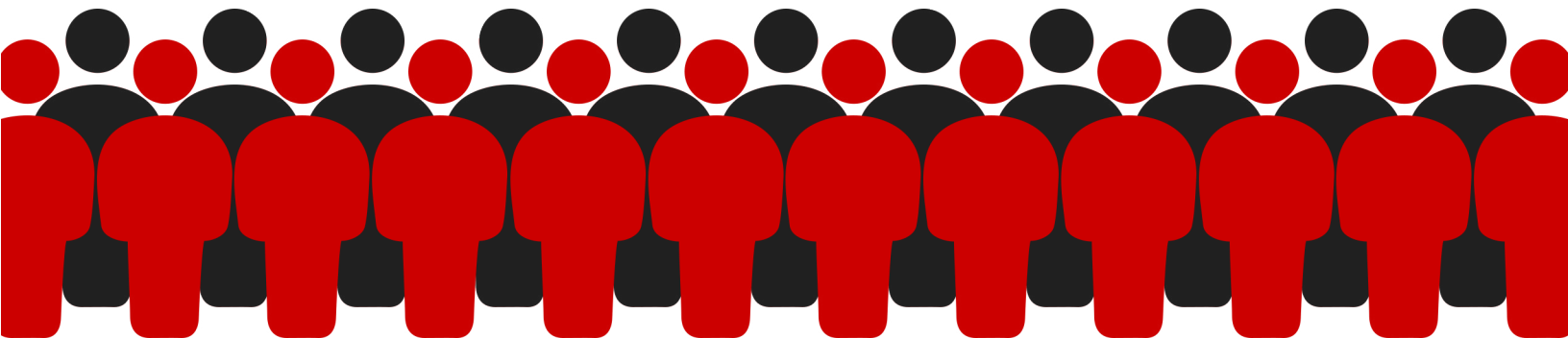
Interviews with Chubb & Son, Inc, Paul Gillin, Shell, and Whole Foods Market

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Sponsors Perspective

Foreword from Oracle

What happens when Marketing and IT unite to tackle the escalating challenges that today's rapidly moving digital, social and mobile world bring? Collaboration brings both Marketing and IT the potential to influence management decisions while, in tandem, add business value. When Marketing collaborates with IT, the possibility exists for Marketing to make an impact beyond raising awareness to improving speed to market for new products and services while reducing project costs. In turn, IT's collaboration with Marketing can give rise to greater awareness of thought leadership and increase share of budget.

When collaboration happens, Marketing often leads the charge to break down the functional silos with IT. And even though Marketing is making progress, it faces strong headwinds as it attempts to advance collaboration within the company.

To get a better understanding of the state of collaboration between Marketing and IT, Oracle commissioned Social Media Today and Leader Networks to field a study to investigate the changing relationship between these functional teams. Responses were gathered from 662 Marketing and 263 IT leaders from more than 500 organizations around the world.

For the purposes of this study, a socially enabled enterprise is defined as having "a set of collaborative processes which have the potential to yield improved business processes that are customer-driven, such as faster time-to-market with new products and services, more successful research and development outcomes and refined marketing messages that are explicitly influenced by customer needs."

Social media, Marketing and IT leaders from a mix of B2B and B2C companies that include Chubb, Whole Foods Market and Shell share perspectives based on their experiences. They describe how collaboration has evolved within their organizations, and share lessons learned. Co-author of the book *Attack of the Customers* and social media expert Paul Gillin also shares what he has learned from his many years working with enterprises and social media.

Roadblocks Ahead

The good news is that Marketing and IT respondents alike report that they are collaborating more effectively, and indicate that socially driven collaboration brings greater awareness of thought leadership, a stronger voice in management decisions and the ability to articulate ROI.

But as the study unfolds, it reveals that Marketing values collaboration more and regularly faces reluctance from IT as it moves to advance collaboration inside the company. Marketing respondents are also more likely than IT to indicate they need new leadership and management skills as their role evolves; some of these new skills may be related to Marketing wanting a stronger grasp of the technology implications of marketing initiatives.

Beyond the need for IT and Marketing to learn new skills themselves, collaboration can affect hiring. Both groups recognize the need to onboard people who bring new competencies to meet the needs of today's evolving digital, mobile and social landscape.

IT respondents who report collaborating with Marketing are more likely to report they have greater awareness of the thought leadership agenda and its impact. Having a greater understanding of thought leadership could be interpreted to mean that they have more insight into the overall business.

Both groups also recognize the necessity to acquire new skills for themselves and hire people with new skillsets to meet the needs of today's evolving digital, mobile and social landscape.

We want to help you navigate through this brave new world, so we've put together *Five Secrets to Success with Your Tech Team*,¹ based on the research findings and the marketplace:

Secret #1: Get C-Suite Buy-in for Shared Goals

With social business and collaboration having the potential to benefit the whole organization, executive leadership plays a critical role in infusing a spirit of cooperation across the business. There is already widespread belief among executives about the potential for social to transform business. In a *MIT Sloan Management Review* executive study, 70% of respondents indicate that social business is an opportunity to fundamentally change the way their organization works.²

¹ Developed in collaboration with Leader Networks and originally presented at the Oracle Eloqua Experience 2013 conference (<http://pub.vitruv.com/OZF0>)

² MIT Sloan Management Review: 2013 Social Business Global Executive Study and Research Project

When it comes to the quality of collaboration between groups, 57% of Marketing and half of IT respondents classify their level of collaboration as being only “adequate.”

And simply put: “adequate” collaboration isn’t going to be good enough in the long-term for successful organizations. To address this, some companies are creating the position of Chief Digital Officer to champion a high performance culture of collaboration and bring groups together to improve the customer experience. In fact, Gartner predicts that 25% of companies would have a CDO by 2015.³

The types of companies that have named CDOs are diverse and represent nearly every industry.⁴ Two examples include McDonald’s and McGraw-Hill Education. McDonald’s CDO is charged with driving global strategy for e-commerce, modernizing the restaurant experience and driving digital engagement with consumers. McGraw-Hill’s recently installed CDO is responsible for creating “compelling student experiences” and developing innovative teaching and learning solutions.

To kick-start the process of building executive champions, it can be helpful to show your CEO what competitors are doing and their success. Demonstrating how the competition is winning in social business can motivate increased funding for social business initiatives within your own organization.

Make it easy for executive leadership to see the positive effect social business can have on important business goals, using readily available case studies to make strategies and results tangible. Look to connect with Social leaders from other organizations to get their take on what has worked to foster executive buy-in within their organizations.

Secret #2: Understand Your Peer’s Perspective

What may be frustrating for people in the organization who do see the benefit of collaboration is getting a frosty response from the other group. More Marketers (17%) report that while they see the benefit, their peers in IT are not receptive. IT professionals who see the benefit of collaboration report that 7% of Marketers don’t welcome their overtures.

Marketers may wonder, “Can IT move at the speed of Marketing?” While IT may be thinking, “Does Marketing realize how hard this is?”

³ Gartner: Chief Digital Officer – From “Oh, No” to “Of Course” (2012) (<http://blogs.gartner.com/dave-aron/2012/11/10/chief-digital-officer-from-oh-no-to-of-course/>)

⁴ According to David Mathison, founder of the Chief Digital Officer club, as quoted in MIT Sloan Management Review (2013) (<http://sloanreview.mit.edu/article/cdos-are-reaching-new-heights-and-quickly/>)

Our advice is for both groups to make an intentional effort to get to know the other from business contribution and role perspectives. Both groups have a lot to offer one another, and can jointly tackle solving the problem of making their business social, digital and mobile. But first, they need to come together to realize the unique benefit that can be brought about by partnership between IT and Marketing. By leveraging each other's experience and strengths, the partnership can result in delivery of results that directly strike the bottom line of the business.

Consumer expectations of businesses are high when it comes to resolving customer complaints, for example, which is one problem for IT and Marketing to tackle if their organization is behind on social. With 25% of customers who complain on Twitter or Facebook expecting a response within an hour,⁵ collaboration between IT and Marketing can start the ball rolling to rally the organization to equip itself to respond more quickly to customer service issues. Considering that Facebook has 727 million daily active users on average,⁶ the ability respond to the needs of the socially connected customer is critical.

Secret #3: Be the Role Model

It's encouraging that many companies have increased the level and degree of collaboration. Over the past 12 months, 41% of Marketing and 38% of IT leaders say they have engaged in more collaboration. While this is a strong number, room for improvement remains, since the majority of Marketing and IT respondents (56% and 60% respectively) report no change in the collaborative relationship. A small number report that they collaborate less.

To collaborate more, pick one point of customer pain or a business priority that has both IT and Marketing implications, such as improving online customer complaint response times, and try to solve it together. Then reach out. Make the first move, or make the first five moves if that's what it takes to join forces and cooperate on projects.

Taking a cue from Whole Foods Market, organizations can try co-locating Marketing and IT team members to drive more interaction between the two groups. Specific benefits that can flow from face-to-face interaction are trust, reciprocity, information sharing, and cooperation.⁷

5 Lightspeed Research: The Social Customer (2011)

6 Facebook Key Facts (<http://newsroom.fb.com/Key-Facts>)

7 Harvard Kennedy School of Government: Better Together, a Report of the Saguaro Seminar (2000)

Joint participation in CMO and CIO leadership forums, such as Argyle Executive Forum's CMO/CIO Partnership event, can provide another avenue to bring leaders of these groups together. They provide a great venue for learning from peers across the aisle.

Starting the process for collaboration is a very timely topic that presents challenges to both teams, and we've found IT and Marketing leaders hearing the data contained in this study are eager to share their own stories and advice.

Secret #4: Find Meaningful Metrics

Marketing and IT leaders looking to improve collaboration between teams should look at the strong benefits that the interaction can bring. According to the respondents who say they have been collaborating more, three-fourths of them believe that more collaboration increases their effectiveness as professionals.

Two benefits that are linked to ROI -- faster speed to market with products and services (47% Marketing; 43% IT) and reduction in project costs (23% Marketing; 36% IT) -- score highly in our study. This is important because measures of time to market and cost savings can also be correlated with impact on revenue.

While there is an almost endless list of available metrics, we think the key to successful collaboration, especially initially, is to pick two or three initiatives that really matter to the business, but are near-term to show impact sooner rather than later. Identify which business measures matter the most to the initiative(s), dedicate efforts to improving those measures and drive visibility to show the achievement of objectives. And here's a hint: it's not going to be the number of Facebook "fans" or Twitter "followers"; customer engagement, reduced cost for acquiring customers and customer retention matter so much more.

Secret #5: Carefully Choose Tools

We recommend avoiding "bellying up to the bar" of miscellaneous one-point tech tools because the cost incurred when adopting short-term solutions and then switching to more comprehensive solutions can potentially be more than the money you save. Experimenting with a one-off tool rarely gives you a chance to see overall business impact. Time is wasted on learning the mechanics of a one-off solution rather than coming together with IT to explore strategies about how social technology solutions can be used to improve overall business results.

While it's tempting to select one-off tools to address marketing technology needs, it usually isn't the best way to go. Marketing can find itself in a bind when separate investments in disconnected tools fall "under the radar" and get approved for trials. Often they don't work well together and don't offer an integrated way to analyze what's really working and get at the heart of ROI. According to IDC, "aggregating into a new user experience (UX) or augmenting an existing one requires social tools to be integrated with other enterprise systems and needs to be embedded inside the work processes to get the most value."⁸

Oracle offers the tools to weave social seamlessly into the fabric of daily business operations -- across every mission-critical department -- in order to listen, engage, collaborate, manage, measure and maximize social media for better business efficiencies and to enhance customer experiences. Successful companies must be able to socially enable their enterprises through integrated and comprehensive cloud-based offerings that deliver powerful and flexible social, marketing, service, commerce and sales capabilities, all of which Oracle offers in an industry-leading integrated solution.

Where To Go From Here

Social media has broken down the rigid barriers that separated companies from their customers, influencers, detractors and the public at large. It stands to do no less within your organization and have a transformative effect that can not only be felt, but also measured and scored.

If you are still reluctant to collaborate, you and your company are going to sacrifice several benefits.

If you're an IT leader, you can remain relevant through closer cooperation with Marketing and other functional business units. As noted above, respondents reported that collaboration led to faster speed to market; greater adoption of products and services; and reduction in project costs, among others.

⁸ Vanessa Thompson, IDC Insights Community – "Enterprise social networks – growing up inside and outside the firewall." (2012) (https://idc-insights-community.com/groups/it_agenda/social-business/enterprisesocialnetworksgrowingupinsideandoutsidet)

If you're in Marketing, a partnership between Marketing and IT can yield dividends and keep you from making short-sighted technological investments that may benefit from IT's technical expertise.

You may be asking yourself, where should I begin?

Start with transparent, open and honest dialogue between Marketing and IT. A transparent approach has proven to successfully improve the customer experience, and it will help social business practices take hold within your organization. Align business objectives and get executive buy-in and long-term commitment. Enable seamless, interdepartmental communication with an enterprise social network. And above all, share your successes. At Oracle, we are uniquely suited to equip companies with the applications and technology they need as they make the transition to social enterprises – and get IT and Marketing talking to one another. We offer a platform that includes all of the capabilities to manage a holistic social media strategy, from our customer-focused Social Relationship Management solution to our enterprise social network platform. Integration with other Oracle customer experience cloud solutions sets us apart and makes us an ideal partner to help you leverage the power of social technology and practices across your entire business.

When Marketers and Technology leaders craft strategies together and jointly mobilize the resources to bring them to life, the effects can fan out across the organization. The result of deepening socially driven collaboration will be a more successful organization that provides a better overall customer experience and stronger business results.

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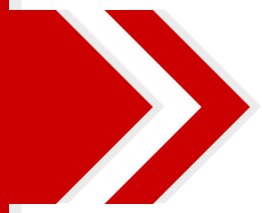
OPENING REMARKS

This paper builds upon the findings published in The Socially Enabled Enterprise: A 2013 Research Study (also sponsored by Oracle), which explored the changing role of Marketing and IT due to the impact of social business. This included how organizations are leveraging social technology platforms and addressing the opportunities and challenges associated with becoming a Socially Enabled Enterprise. For the purposes of the study, a socially enabled enterprise was defined as having “a set of collaborative processes which have the potential to yield improved business processes that are customer-driven, such as faster time-to-market with new products and services, more successful research and development outcomes and refined market messages that are explicitly influenced by customer needs.”

This study leverages the same body of research (e.g. survey instrument, firmographics, portfolio of respondents, demographics) and examines how the relationship between Marketing and IT has changed in response to the impact of social business. In particular, this study explores how each of these groups perceives the opportunity for increased collaboration as their organizations evolve towards becoming socially enabled enterprises.

While Marketing has a leading role in the adoption of social channels (e.g. Facebook, LinkedIn, Twitter, YouTube) with a focus on building awareness, the benefits of increased collaboration between Marketing and IT include stronger/more compelling marketing messages and significant operational benefits. These benefits include faster speed to market, greater product and service adoption, and fewer defects in products and services.

OPENING REMARKS (cont.)



In the words of author Paul Gillin, “The Economist Intelligence Unit reported last year that in 70% of companies the Marketing department ‘owns’ social media. Those numbers don’t surprise me. In the early days social media was viewed as another channel to deliver a message, and so that’s marketing’s job, and marketing got it. I think what we’re learning now is that social has much broader impact than just in marketing.”

This report makes the case that the broader impact of social business sets the stage for *Socially Driven Collaboration* between Marketing and IT.



KEY FINDINGS

While the full report offers many details on the research study's composition and results, here are some of the key findings.

Social business is changing how Marketing and IT leaders work:

Respondents clearly indicate social business has spurred more collaboration. In addition, it has raised awareness of the impact of thought leadership, offered an opportunity for more say in management decisions, and enabled better articulation of ROI. Finally, it has highlighted the need to acquire new skills both individually and – through new hires – for the organization as a whole.

While Marketing and IT do collaborate, both organizations report that the level of collaboration is only "adequate":

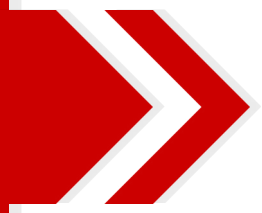
Only 36% of Marketing and 26% of IT respondents report collaborating "frequently" with each other on projects or initiatives. Marketing respondents

were more likely to indicate collaborating "frequently" or "occasionally," while IT were more likely to report collaborating "rarely" or "never." In fact, 57% percent of Marketing and 50% of IT respondents classify their collaboration with each other as being "adequate," and 16% of IT respondents report that collaboration with Marketing is "non-existent."

Among those Marketing and IT leaders who report "poor" or "non-existent" collaboration, many recognize the benefits of collaboration but indicate that their company culture doesn't enable it, nor do their groups make it a priority.

Marketing and IT are beginning to collaborate more, but there is plenty of room for improvement: 41% of Marketing and 38% of IT leaders report that over the last 12 months they have engaged in "more collaboration," with the largest firms (over

KEY FINDINGS (cont.)



50,000 employees) most likely to report an increase. However, the majority of Marketing and IT respondents (56% and 60% respectively) report “no change” in their collaborative relationships. A small number report “collaborating less.”

Increasing collaboration has a positive impact on professional effectiveness, and also offers significant operational

benefits: Among those who report collaborating more, 74% of Marketing and 71% of IT leaders indicate that they are

“more effective.” Other benefits reported by Marketing and IT leaders who collaborate more include stronger/more compelling marketing messages, faster speed to market, greater product/service adoption and fewer defects in products and services.



STUDY COMPOSITION

In an effort to understand the forces behind socially driven collaboration, Oracle commissioned a study of 925 Marketing and IT leaders from over 500 organizations around the world in the spring of 2013, gathering insights from over 20 industries and 52 countries. The study included firms ranging in size from over 100 employees to over 50,000 employees. All respondents to the survey were volunteers and did not receive any compensation for participation but were invited to be submitted into a drawing for an iPad mini. The sample was drawn from a number of sources, including Social Media Today subscribers, Oracle customers, and the Society for New Communications Research (SNCR).



INTERVIEW SUMMARY

In addition to survey research, in-depth interviews were conducted with senior business and IT executives, as well as subject matter experts who shared their experience, insights and best practices for leading their organizations through the transformation associated with social business.

Paul Gillin is a noted author of several books, most recently [Attack of the Customers](#). Previously he was Editor-in-Chief at Computerworld. He shares his perspective on the broader impact of social business beyond marketing into operational groups such as customer service. He also provides insight into the role of IT in protecting the organization's assets, and the tension this creates for collaboration with the marketing function as it becomes a more data-driven organization.

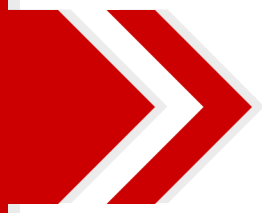
Don Bulmer is Vice President of Communication Strategy at Shell. He shares his experience in supporting a Center of Excellence that provides the environment, platform and best practices to engage in external social media across the company on a global basis. Supporting the

requirements of numerous business units, his organization collaborates extensively with external social media companies and agencies, as well as Shell's IT organization, to understand data and information requirements.

Natanya Anderson is Director of Social Media and Digital Marketing at Whole Foods Market. She discusses the role her group plays in disseminating social media throughout the organization, as well as the importance of an ongoing, collaborative partnership with the IT organization. Among her insights: the need to break down barriers and question things that both Marketing and IT have always believed to be true. She also emphasizes the role that leadership plays in helping newer employees participate in the collaboration process.

Mark Berthiaume is Senior Vice President and CIO for Specialty and Commercial Insurance at Chubb. **Michelle Middleton** is Commercial Strategic Marketing Manager and Senior Vice President of Chubb and Son, Inc.

INTERVIEW SUMMARY (cont.)



In this joint interview, Michelle and Mark discuss the highly collaborative nature of the relationship between Marketing and IT in the context of a socially networked organization, supporting both internal and external communities, with a focus on innovation. Among the many insights they share is that collaboration is part of the culture, and the importance of building trust between the two organizations – starting with the CMO and CIO working on projects together.

For further insights, please refer to the section entitled Interviews at the end of this report.



DETAILED FINDINGS

In the following sections we provide detailed analysis of the study findings. A synopsis of the question flow is below:

- **Question 1: Opportunity for collaboration**
- **Questions 2-3: Current state of collaboration**
- **Questions 4-5: Obstacles to collaboration**
- **Questions 6-7: Benefits of collaboration**
- **Questions 8-13: Firmographics**

DETAILED FINDINGS (cont.)

Opportunity for collaboration



With the proliferation of social business platforms, increased awareness of integration and analytical requirements, and a shift in focus from marketing and awareness to business operations, the opportunity for new collaboration between Marketing and IT organizations has never been more apparent. While social business offers a powerful catalyst for increased levels of collaboration, responses vary based on organization size, industry sector and regulatory environment. For some, social business is a unifying factor which aligns various functional organizations behind one or more initiatives. For these organizations, Marketing and IT collaborate extensively. For other organizations, social business initiatives challenge the traditional boundaries which define ownership, staffing and budget.

This is not unlike the organizational tensions which emerged when the World Wide Web first appeared in enterprise settings. Some organizations (and their leadership) focused on ownership instead of seizing upon the opportunity to create a common experience across a variety of Web-based initiatives, such as the corporate website, ecommerce, intranets and extranets. For social business, the findings show that organizations that choose to lead by example – embracing collaboration between Marketing and IT – are more likely to realize substantial benefits such as stronger/more compelling messages, faster speed to market, greater product/service adoption, and fewer defects in products and services. The underlying challenge is managing cultural change within the organization. Crossing the functional lines of demarcation to create socially driven collaboration between Marketing and IT is hard work, but the rewards are worth the effort.

DETAILED FINDINGS (cont.)



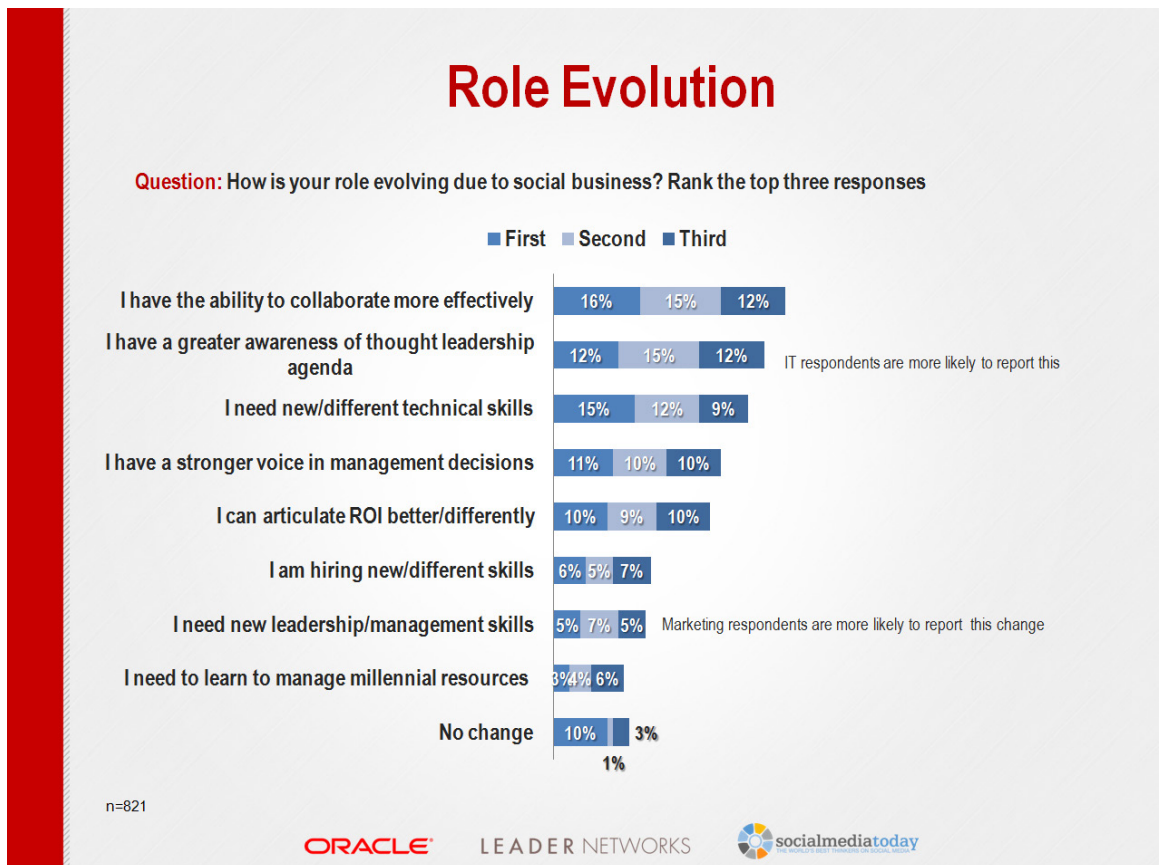
Mark Berthiaume from Chubb offers some insight into the challenge: “Collaboration is definitely part of the culture of Chubb. Chubb has always been a relationship company, and that relationship model works internally and it works externally. The innovation program at Chubb is really amazing. It has senior level support, it has its own funding, it reaches out broadly within and outside of the organization, and it’s been very successful. There are a lot of companies that don’t make it in that space, but we have, and I think a lot of it has to do with our culture.”

Few would argue that collaboration is not a good thing. However, questions such as “What are the drivers behind the emerging relationship between Marketing and IT?” and “How will socially driven collaboration between these organizations play out over time?” are the essential areas this study set out to examine.

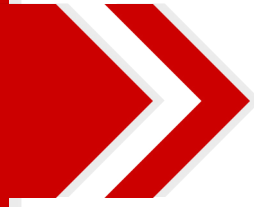
DETAILED FINDINGS (cont.)

Question 1: How is your role evolving due to social business? (Rank the top three responses)

At the outset, participants were asked how their role is evolving due to social business and to identify the top three areas where they find change is most apparent. "No change" was included as a response option. While all participants were asked the question in aggregate, the responses were also examined according to role (e.g. Marketing, IT). The most frequent response among all participants to the question, "How is your role evolving due to social business?" was "I have the ability to collaborate more effectively." This was followed closely by having a "greater awareness of thought leadership" and the need to develop "new/ different technical skills."



DETAILED FINDINGS (cont.)



Commentary: Two sets of responses that offer important insights are found through the segmentation analysis. Respondents in IT report they have a greater awareness of thought leadership, which suggests they have assumed a more visible “seat at the executive table” in terms of their understanding of organizational strategy and future direction. Collaboration with Marketing on social business initiatives may create a heightened awareness of the customer or partner agendas and Marketing’s role in addressing their requirements. This heightened awareness, in turn, may allow IT to deliver more effectively on the business opportunity, and not just the technical requirements.

On the other hand, Marketing leaders indicate a need for new leadership and management skills. This suggests marketing may be assuming responsibility for a portfolio of social business initiatives inside and outside of the larger organization. The technical skills required for social business vary widely, ranging from managing external social platforms (e.g. Facebook, Twitter, LinkedIn) to integration (e.g. CRM, customer

service) or analytics (across structured and unstructured information). It is likely that Marketing may be assuming responsibility for the lighter technical projects, leaving the major integration and analytic initiatives in the capable hands of IT.

Natanya Anderson from Whole Foods Market offers some perspective on this evolution: “I think social is so fast-moving right now and there are so many opportunities. The nature of social is about connectivity and about integrating people and ideas and passions. It starts to pervade all of our systems. How do we integrate social into the website? How do we take Pinterest pictures and put them into mobile? Because it’s an ongoing conversation about collaboration and using technology to connect people, I believe that IT and Marketing have to become true, ongoing, collaborative partners so that we can keep up.”

DETAILED FINDINGS (cont.)

Current state of collaboration

While the Marketing and IT groups appear to be closely aligned in their views about how their roles are evolving – including their ability to collaborate more effectively – respondents were asked about the frequency and level of collaboration to bring some color to the extent of their interactions.

Question 2: In your role as an IT (/Marketing) professional, how frequently do you collaborate with your organization's Marketing (/IT) team on projects or initiatives?

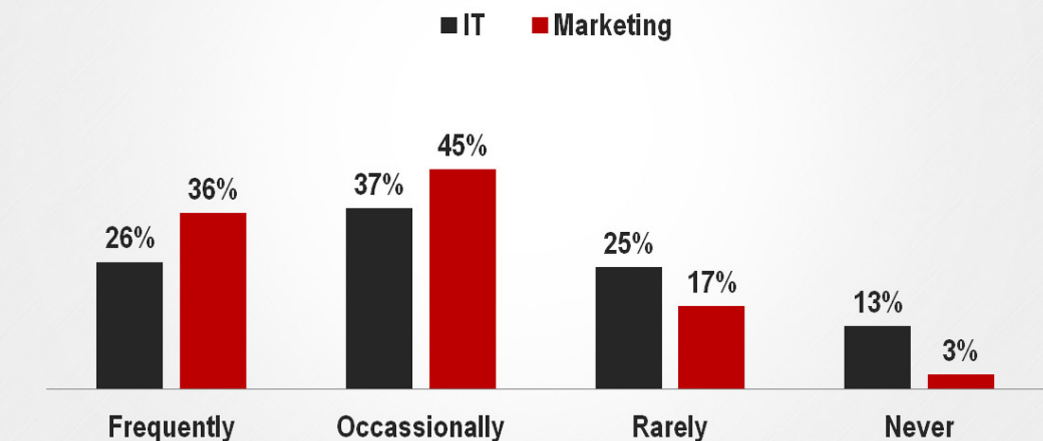
What's the shortest distance between two people? Social business initiatives can be credited with bringing together disparate groups within the organization to deliver a business-driven solution. The findings reveal that Marketing and IT have been called upon to collaborate in unprecedented ways. In an effort to understand how each group handles this new dynamic, respondents were asked about the frequency of collaboration on projects or initiatives. While the distribution of responses generated a fairly uniform bell curve, the Marketing respondents were more likely to indicate collaborating with IT "frequently" or "occasionally," and IT respondents were more likely than their Marketing peers to indicate collaborating "rarely" or "never."

DETAILED FINDINGS (cont.)

Frequency of Collaboration

Question: In your role as an IT professional, how frequently do you collaborate with your Organization's Marketing team on projects or initiatives?

Question: In your role as a Marketing professional, how frequently do you collaborate with your organization's IT/Technology team on projects or initiatives?



IT N=244
Marketing N=594

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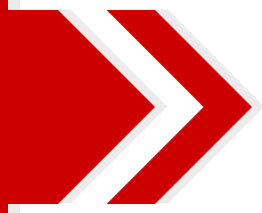
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Commentary: If Marketing believes they are collaborating more, this may be an indication that they are initiating the outreach. Perhaps the marked differences in responses can be explained by a perceived difference between collaboration and more general technical support provided by IT under the terms of a service level agreement. In either scenario, Marketing's response that they collaborate with IT

"frequently" (36%) and "occasionally" (45%) is an indication that they are currently responsible for executing social business initiatives and likely need IT support to succeed. A likely scenario is that Marketing has focused their social business efforts on creating awareness through external platforms such as Facebook and LinkedIn.

DETAILED FINDINGS (cont.)



The IT organization is focused on the systems behind the firewall requiring large-scale integration that enable business operations (e.g. customer service, product development).

Michelle Middleton from Chubb and Son, Inc. makes the case for the frequency of collaboration: "Our work partnership actually pre-dated Chubb's social innovation efforts.

Marketing is dependent on developing insight from information, and the platforms that IT provides are foundational to obtaining that information. For instance, we may rely on external platforms to bring insights or requests in from our insurance agents or current or potential customers, or internal platforms to help us gather data from our production system and allow us to better understand our portfolio."

DETAILED FINDINGS (cont.)

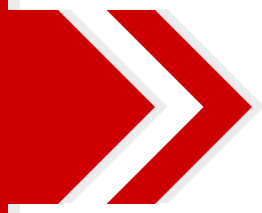
Question 3: How would you classify your current collaboration with Marketing (/IT)?

In an effort to understand the difference in perceptions, participants were asked how they would classify their current collaboration with colleagues from the other group using four levels ranging from “excellent” to “non-existent.”



While the responses were fairly consistent, there were some notable differences between the two groups. Marketing was more likely to rate the level of collaboration as “adequate” (57% for Marketing vs. 50% for IT respondents) and IT was far more likely to indicate that collaboration was “non-existent” (16% for IT vs. 4% for Marketing respondents).

DETAILED FINDINGS (cont.)



Commentary: The responses were further analyzed by company size (defined by number of employees), and the two data sets were found to be remarkably similar in their distribution – responses from smaller and larger organizations run in parallel. This invalidates a hypothesis that larger organizations are less prone to cross-functional collaboration or that smaller organizations are likely to collaborate more due to a flatter organizational structure.

Paul Gillin captures the opportunity as well as the challenge when he observes, “Marketing is becoming a very data-driven discipline. So there should be an opportunity for marketers and CIOs to come to terms and work together. Unfortunately, I think in most organizations the relationship between Marketing and Technology is very strained.”

DETAILED FINDINGS (cont.)

Obstacles to collaboration

Social business is a disruptive force, a powerful change agent. So it's no surprise that social business initiatives sometimes collide with an organization's inability to change. This is further complicated by a wide range of variables including company size, industry and geography. Perhaps the differences in frequency and level of collaboration could be attributed to a particular set of issues. If so, the insights could help organizations better prepare and make the investments required to become socially enabled organizations.

Question 4: Why don't you collaborate well with Marketing (/IT)? (Select all that apply.)

To understand the extent of the obstacles, respondents who reported "poor" or "non-existent" collaboration (see chart above) were asked why they don't collaborate well with the other group. The top response was "I do see the benefit, but my company culture doesn't enable it" followed by "I do see the benefit, but neither team prioritizes it." There were also some significant differences in the responses from Marketing and IT.

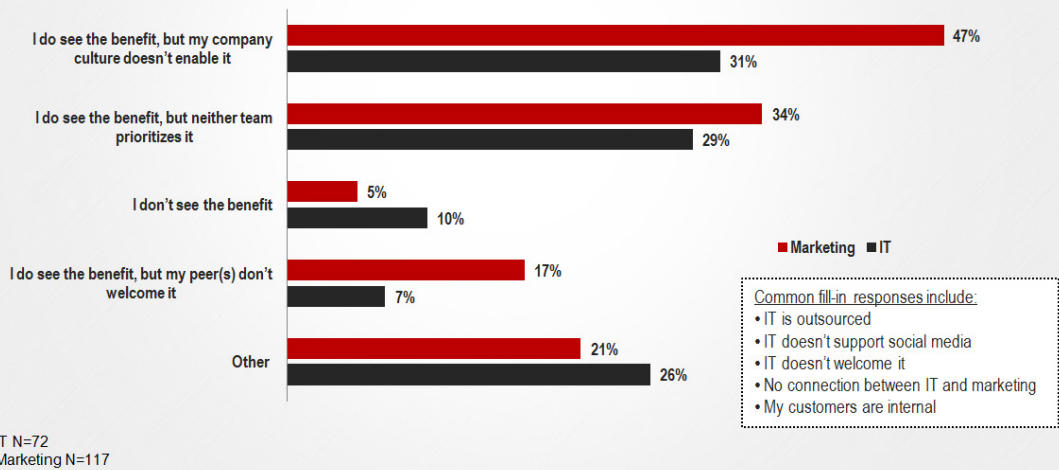
DETAILED FINDINGS (cont.)

Reasons for Lack of Collaboration

Question: Why don't you collaborate well with Marketing? *Select all that apply*

Question: Why don't you collaborate well with IT? *Select all that apply*

Reasons for lack of internal collaboration among those who reported poor or non-existent collaboration

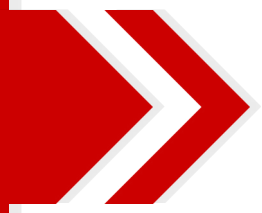


Most notable is that IT was more likely to not see the benefit of collaborating. Marketing was more likely to see the benefit, but feel that their peers don't welcome collaboration.

Both organizations indicated additional obstacles through open-ended responses. The most frequent "other" reason why Marketing and IT don't collaborate

is because their organization has outsourced the IT functions, making collaboration difficult even under the best of circumstances. Additional open-ended responses include "lack of support for social media" and "limited connection between Marketing and IT."

DETAILED FINDINGS (cont.)



Commentary: On the one hand, the data indicate that even those respondents who reported “poor” or “non-existent” collaboration see the benefit of collaboration. However, they also cite significant obstacles, including company culture and failure to make collaboration a priority. It’s a perfect storm – if employees see that collaboration is not a priority, do not see the benefit, or feel that peers do not welcome it, then collaboration is not going to happen.

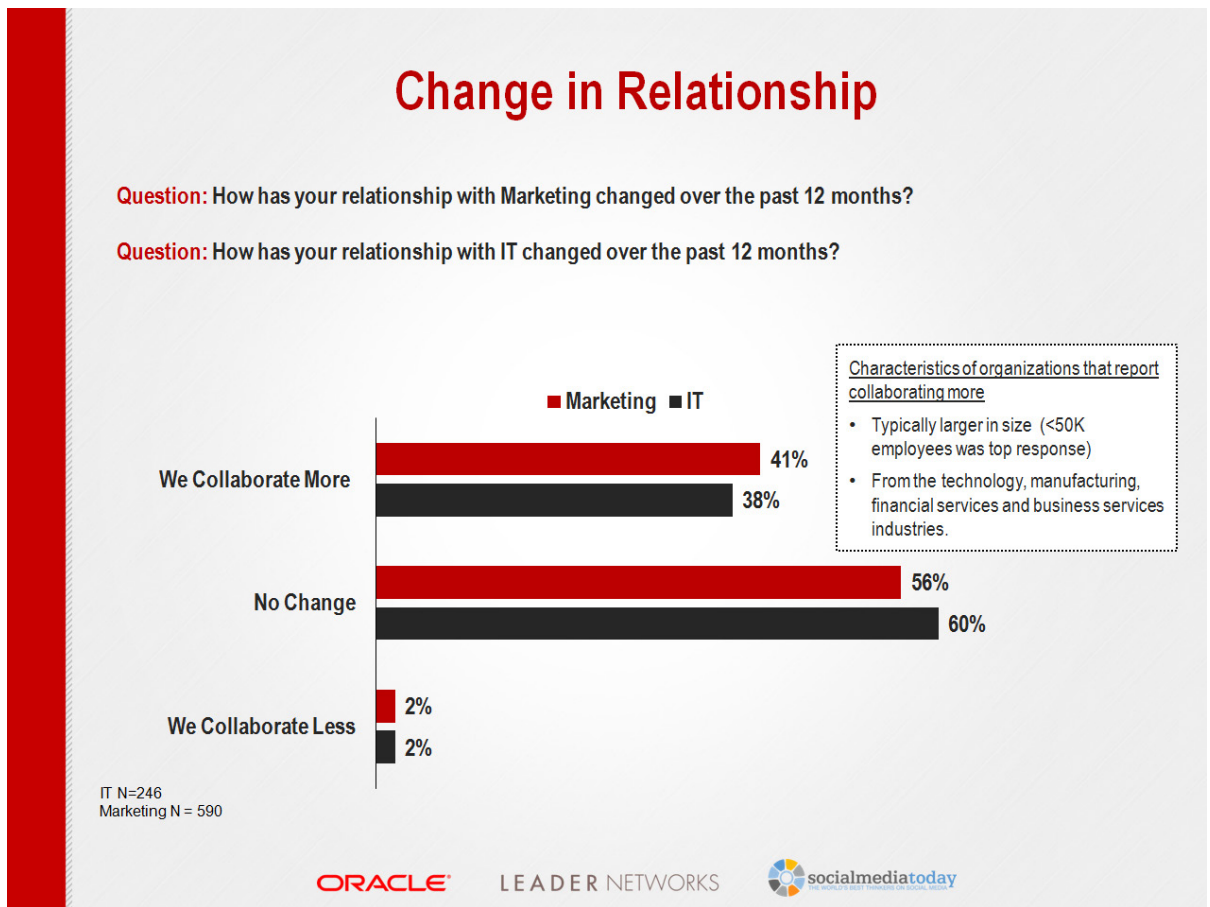
The responsibility falls squarely on the executive teams, including the CMO and CIO, who have to lead by example and look for meaningful ways to reinforce the importance of collaboration between Marketing and IT.

Mark Berthiaume observes, “I find it surprising when I hear about IT and Marketing not collaborating deeply. It just seems like this would be a natural interaction. If social media is just introducing the two organizations, that is a clear problem for a company.”

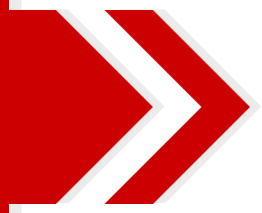
DETAILED FINDINGS (cont.)

Question 5: How has your relationship with Marketing (/IT) changed over the past 12 months?

The magnitude of the obstacles indicated by some organizations raises the question about what progress, if any, Marketing and IT are making in changing how they collaborate. Specifically, survey participants were asked how the relationship has changed over the past 12 months, and the responses were fairly consistent across the two groups when asked if “we collaborate more,” “no change” or “we collaborate less.”



DETAILED FINDINGS (cont.)



Further analysis of the data indicates that organizations that reported more collaboration (see chart above) are typically larger in size (e.g. over 50,000 employees) and represent a broad range of industry sectors including technology, manufacturing, financial services and business services.

Commentary: While it is somewhat encouraging that 41% of Marketing and 38% of IT respondents report collaborating more, led by larger organizations, an absolute majority (56% of Marketing and 60% of IT) of both groups report no change. As mentioned previously, the conventional wisdom is that collaboration is more difficult across organizational boundaries in larger companies (due to size, scale, organizational complexity, well-established procedures), and easier in smaller, more nimble firms. However, the data suggest otherwise.

This would indicate that Marketing and IT need to take a hard look at the real obstacles to successful collaboration, and, at the same time, identify the benefits that such collaboration can bring.

Don Bulmer from Shell offers some insights on why this collaboration is so important: "IT does a lot of work with us on really understanding our data needs, understanding the type of data that we get from these platforms and helping us to put it into the right type of models, using our IT systems to get the value where we can't necessarily buy it direct."

DETAILED FINDINGS (cont.)

Benefits of collaboration

Inter-departmental collaboration may be a compelling concept, but social business is about business. How does collaboration, driven by social business initiatives, benefit these groups and the organization as a whole? Having shared their perspective on the obstacles and the current state of collaboration between Marketing and IT, participants were asked about the upside or benefits, taking into account both professional and organizational perspectives. In other words, why should the leadership team care about socially driven collaboration?

Question 6: How, if at all, has this change in collaboration impacted your effectiveness as a professional?

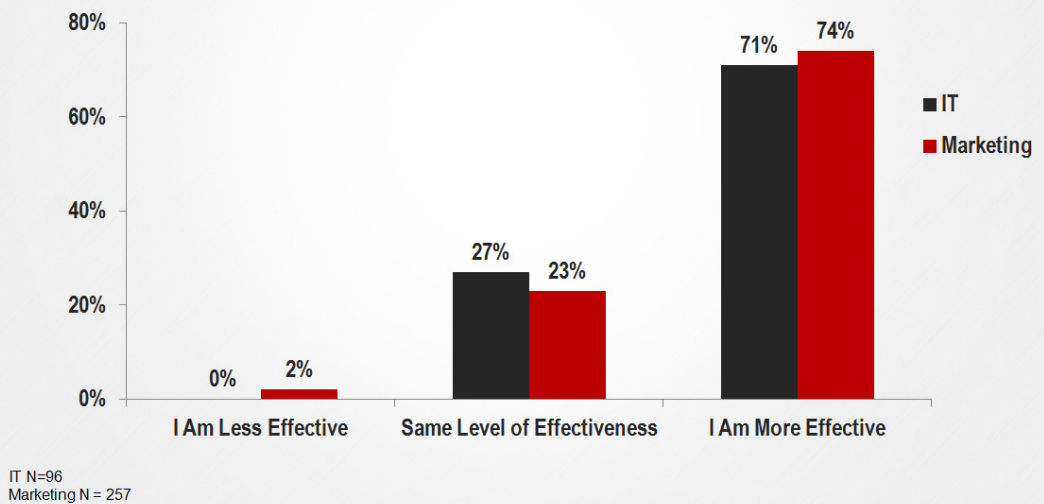
To better understand the impact of collaboration, those respondents to question 5 (above) who reported “collaborating more” and “collaborating less” were asked, “How, if at all, has the change in collaboration impacted your effectiveness as a professional?” In an effort to avoid skewing the results, those reporting “no change” were excluded from the analysis.

DETAILED FINDINGS (cont.)

Effectiveness as a Professional

Question: How, if at all, has this change in collaboration impacted your effectiveness as a professional?

As indicated by those who reported “we collaborate more” and “we collaborate less” when asked:
How has your relationship with Marketing / IT changed over the past 12 months?



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The distribution of responses was almost identical with 74% of Marketing and 71% of IT leaders indicating that the change in collaboration enables them to be “more effective” as professionals. Few, if any, reported being “less effective,” and about one in four reported having the “same level of effectiveness” indicating no change.

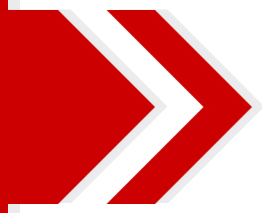
Commentary: The data indicate that Marketing and IT leaders clearly see collaboration as enabling them to be more effective as professionals. However, given the reasons for lack of internal collaboration among those who reported poor or non-existent collaboration (see above), a strong business case will be required to overcome the obstacles.

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DETAILED FINDINGS (cont.)



Natanya Anderson reinforces this point by saying, “Here at Whole Foods in fact, I sit right next to IT teams. I think that it’s a really great thing because we’re more able to turn to someone and say, ‘Hey, have you heard this that’s happening? What is your opinion on if I make this marketing choice? What do you think the IT implications are?’ By having those kinds of partnerships, I think it helps us do smarter work that’s more innovative and moves more quickly.”

**Question 7: What, if any, are the benefits from increased collaboration?
(Select up to three)**

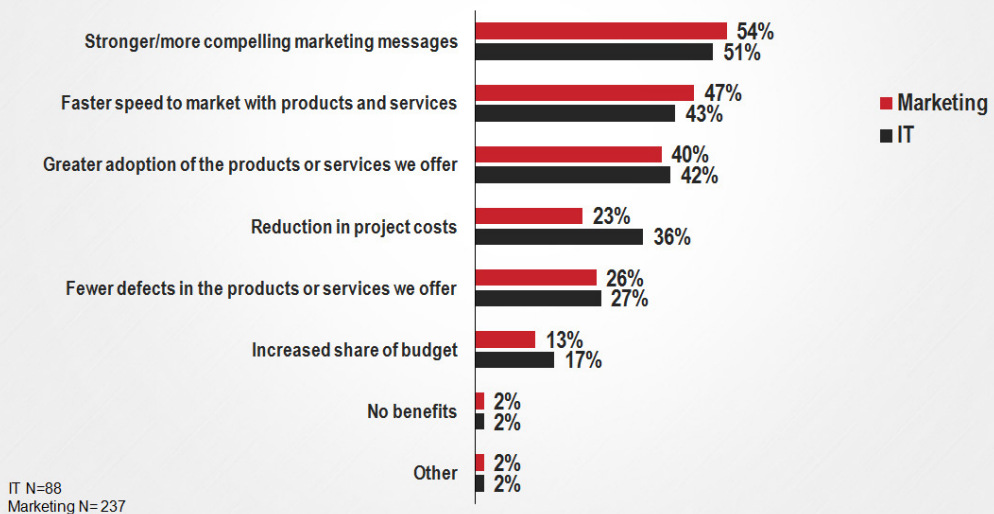
Social business initiatives have moved from the experiment phase into the wider mainstream of business activities, and organizations want to know what kinds of returns to expect from their investments. There are many ways to measure return-on-investment, so respondents were asked about the perceived benefits of increased collaboration from an organizational perspective. For the purposes of this analysis, only those respondents who reported “collaborating more” (Question 5) when asked the question, “What, if any, are the benefits from increased collaboration?” were included.

DETAILED FINDINGS (cont.)

Benefits from Increased Collaboration

Question: What, if any, are the benefits of increased collaboration? (Select top three)

As indicated by those who reported “we collaborate more” and “we collaborate less” when asked:
How has your relationship with Marketing / IT changed over the past 12 months?



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The responses from Marketing and IT groups were quite consistent. Both placed “stronger/more compelling marketing messages,” “faster speed to market,” and “greater adoption of the products or services we offer” at the top of their lists. While the Marketing agenda is still the primary driver of social business collaboration, the inclusion of product development (speed to market) and

sales/customer service (greater adoption of products and services) in the top three benefits suggests that improved collaboration offers the opportunity to align with the operational measures associated with ROI.

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DETAILED FINDINGS (cont.)



Commentary: Marketing has traditionally taken the lead on social initiatives, usually with a focus on increasing awareness through external social platforms such as Facebook, LinkedIn and Twitter. These results suggest many organizations now see opportunity to align social initiatives with key business processes that have a direct impact on revenue growth. These include faster speed to market, greater adoption and fewer defects in products and services. To realize these benefits, Marketing and IT organizations will have to set aside their traditional boundaries, pro-actively look for ways to collaborate more effectively, and put their collective skills to work.

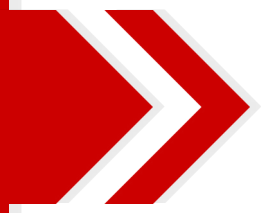
Michelle Middleton offers further insight into the opportunity: "One extremely successful case study is our use of social business to gather innovative ideas from the independent agents that represent us. Our agents will tell us, 'Here are our ideas. These are the things you should be working on.' We'll have innovation events, where they will provide us with new ideas for products and services, as well as their insights via the collaboration platform."

Summary

This research initiative builds upon the findings from a related study that explored how organizations are adopting the practices of social business and evolving to Socially Enabled Enterprises. Leveraging the same body of research (e.g. survey instrument, firmographics, portfolio of responses) this report focuses on the changing relationship between Marketing and IT due to the impact of social business as organizations evolve to socially enabled enterprises, and explores the opportunity associated with socially driven collaboration between the two groups.

The benefits of increased collaboration from professional and organizational perspectives are considerable, including stronger/more compelling marketing messages, faster speed to market, and greater adoption of products and services. The findings indicate that the transition from awareness to operational alignment is well underway.

DETAILED FINDINGS (cont.)



However, to realize an ROI from socially driven collaboration, senior leadership will need to set the standard, lead by example, and proactively mitigate the obstacles associated with cultural change.

In closing, the words of Paul Gillin bring the opportunity into focus: “Well, I think there will be a forced collaboration because marketing is the fastest growing user of data in the business now. You’re probably familiar with the Gartner forecast that CMOs will spend more on technology within four years than CIOs. It’s an audacious prediction, but it’s not beyond the realm of possibility.”



HIGHLIGHT INTERVIEWS

Paul Gillin, Author

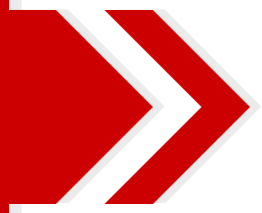
Paul Gillin is a writer, speaker and online marketing consultant who helps business-to-business marketers use social media and quality content to engage with customers. A veteran technology journalist, he is a prolific writer and blogger who has published more than 200 articles and written five books: *The New Influencers* (2007), *Secrets of Social Media Marketing* (2008), *The Joy of Geocaching* (2010) and *Social Marketing to the Business Customer* (2011) and *Attack of the Customers* (2013). Paul writes the monthly New Channels column for BtoB magazine His website is gillin.com.

Leader Networks: Paul thank you again for taking the time to speak with us. Before we get talking would you please sharing a little bit about yourself and your background.

Paul Gillin: I'm trained as a journalist and worked as a journalist for about 25 years before getting into internet marketing and consulting. I was in the technology market at Computerworld for 15 years. I was the editor-in-chief for the last four years of my tenure. Then I went to a start up called TechTarget.

I was the founding editor and helped build the editorial staff there. I did that for six years, and then I started my own thing. I didn't intend to get involved in social media at all. In fact, I had dismissed blogs as a fad in 1993. But I had a couple of experiences very early on that convinced me that social media was going to revolutionize publishing and ultimately the way people made decisions..

HIGHLIGHT INTERVIEWS (cont.)



So I started writing a lot on that. I started writing a column for BtoB Magazine and wrote a book called The New Influencers that did reasonably well. It was one of the first books about social media marketing.

I have written three other books since then about different aspects of social media. I continue to consult with a wide range of companies on how to apply social media both internally and externally to strengthen relationships with their customers and employees.

LN: Now I would like to turn to talk a bit about the impact of internal collaborations. Through the research, we are exploring how IT and Marketing collaboration can enable or support the organization's journey to become a social enterprise. In your opinion, who really owns social?

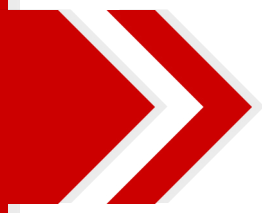
PG: The Economist Intelligence Unit reported last year that in 70% of companies the Marketing department "owns" social media. Those numbers don't surprise me. In the early days social media was viewed as another channel to deliver a message, and so that's marketing's job, and marketing got it. I think what we're learning now is that

social has much broader impact than just in marketing. For example, I saw a study a few weeks ago that said millennials interact with brands twice as much in a customer service context over social networks as they do in a marketing context.

I think what we are seeing now is that customer service is sort of a great second opportunity for social that has been realized. You can make an argument that customer service should own social even more than marketing. But even then you have different constituents depending on the business. For example, in some companies, product developers get huge benefits from having direct customer contact.

What is IT's involvement? In my experience, IT is the naysayer. I can count on the fingers of one hand the number of IT organizations I have encountered that I would say are actively promoting social media as an opportunity. Most of them see it as a threat. And there are good reasons for this. One is that there are all kinds of security implications to people sharing information on social networks that they shouldn't be sharing. There are implications for phishing, and even to some extent for viruses. When

HIGHLIGHT INTERVIEWS (cont.)



people are going to websites that are sending electronic objects back and forth, there is always an increased security risk.

IT's job is to protect the information. So there is good reason why IT organizations are nervous about this. They see it as just another problem. But they always do this, and it tends to bite them in the rear later. I remember well when the Web first came inside the corporate firewall. IT's reaction was largely to try to stop it because they saw it as a productivity drain, a time waster, and a security threat. That attitude didn't earn them much love as the Internet became an essential part of doing business.

The time wasting complaint is one thing I hear from IT organizations that just stuns me. IT people say, "People are going to waste time on social networks, so let's keep them out." Why is IT worried about that? That's not its job. They're not the productivity czars. They are supposed to protect and organize and optimize data. I don't understand that argument at all.

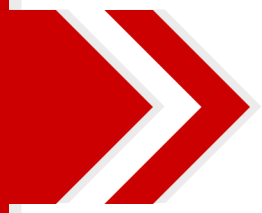
So I don't see any IT organizations wanting to own social. On the contrary, I see a lot of IT organizations want to limit it, block it, regulate it, police it. I think that's unfortunate.

LN: I'd be curious as to what your thoughts are pertaining to the future. Do you think we're going to get to a world where IT and Marketing will need to collaborate in order to strategically deploy these initiatives? Or do you think those battle lines will continue to be drawn? What do you think will happen in the future?

PG: Well, I think there will be a forced collaboration because marketing is the fastest growing user of data in business now. You're probably familiar with the Gartner forecast that CMOs will spend more on technology within four years than CIOs. It's an audacious prediction, but it's not beyond the realm of possibility.

Marketing is becoming a very data-driven discipline. So there should be an opportunity for marketers and CIOs to come to terms and to work together.

HIGHLIGHT INTERVIEWS (cont.)



Unfortunately, I think in most organizations the relationship between marketing and technology is very strained. One of the things that really shocked me coming out of IT – where I had worked in IT media for 25 years – was that information was a strategic asset and [that] CIOs were strategic partners in business was not a widely held belief at all.

When I would work with marketing organizations and somebody would mention IT, all the eyes in the room would collectively roll. The venom that I heard when people talked about the IT organization stunned me. It was clear to me that in many companies, IT was seen as an impediment to progress.

I think that's because IT has a very difficult job. There are so many demands on IT organizations that it's impossible to make everybody happy. IT also has the contradictory role of locking down and protecting the data in an increasingly interconnected world.

The Internet is the worst thing that ever happened to IT in some ways. It introduced security risks that just overwhelmed them and continue to do that to this day. They're always fighting with one hand tied behind their backs.

HIGHLIGHT INTERVIEWS (cont.)

Don Bulmer, Shell

Don Bulmer is Vice President of Communication Strategy at Shell. He has over 18 years of multi-national experience leading award-winning communication and business development programs with measurable effect. Don joined Shell in June 2011 with the purpose of bringing the innovation of Silicon Valley to Shell's Global Communication organization. Since his arrival, he has introduced new stimulation for Shell in social media with large-scale efforts on Facebook, LinkedIn, Sina Weibo, Twitter (among other social media platforms), the United Nations community and more.

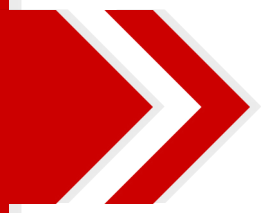
His previous job was VP of Global Communication at SAP for 10 years where he developed and led SAP's global industry and influencer relations organization. Don is a member of the board of directors at The Churchill Club. He is also a member of the board of directors and a fellow at the Society for New Communications Research (SNCR). He was inducted into the PR News Hall of Fame in 2009.

Don completed an Executive Development Program at The Wharton School with a BA in Communications from the University of the Pacific.

Don Bulmer (DB): I am Vice President of Communication Strategy at Shell. My job is more about "how" we communicate, rather than "what" we communicate. Part of the challenge that we face is how do you make a company like Shell trusted, relevant and relatable to every single person on the planet? It just so happens to be that things like social media and mobile provide a really strong and important means to be able to address it, which is allowing us to speak from one to a billion people essentially. How do we start to engineer things to be able to support that?

Leader Networks (LN): *One of the big battlegrounds we're seeing is who really owns social. Within Shell I'd be really curious. Who's part of the team and how do you work with IT or different factions in the organization to make these huge initiatives such a success?*

HIGHLIGHT INTERVIEWS (cont.)



DB: My team has the responsibility for social media governance and strategy. We work as a center of excellence, in a hub and spoke model. Our job is to provide the environment, the platform, and practices as the means to operate and engage in social media externally, across the company. We work with people across all parts of the business at a country and local level, as well as our marketing organization for retail and lubricants and other corporate functions, such as recruiting and investor relations, to develop their own strategies and programs that fit in and utilize social.

We don't try to tell teams what their strategy should be. My job isn't to go into our head of retail and say, "Here's what your social media strategy should be." My job is to ensure that they have an environment to operate their strategy that's consistent with what's core to our business, which is maintaining good reputation standards.

I look at my role more as an enabler than anything else. The only way you're going to get true scale is by allowing people to have accountability for their efforts and ownership of their own programs, where they benefit.

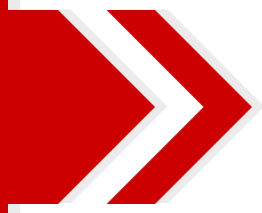
When I can go into the United States and say, "We've got 800,000 followers on Facebook, here's the demographic, the profile of audience, what they care about, how they relate to us, current issues and sentiment levels," we have the means for an informed discussion about how to better utilize the channel to support their business and programs.

We're able to then have a dialogue where they [business] see the benefits of working with our Center of Excellence because we give them data and information and context that allows them to be able to run with their programs benefitting from this platform that we've established. It's one company, right? It's one brand.

We established a model and a framework for engagement that has really clear lines of roles and responsibilities that everybody feels comfortable with and allows them to kind of do what they're intended to do as part of their core aspects of their job.

LN: How do you get people up to speed, and what are the rules of engagement? Is the COE's purpose to create the education, the guidelines and the best practices?

HIGHLIGHT INTERVIEWS (cont.)



DB: There are four buckets or pillars, if you will, that we are responsible for: Partnerships, Technology, Agency Model, and Governance.

One area is developing partnerships with each of the social media companies at a platform but also a company level. We've got partnerships with Facebook, LinkedIn, Twitter, Google and others. We've also got a technology environment that allows us to be able to operate in a way that gives us guardrails using tools like Adobe Social, allowing us to more effectively support community management and content management across the enterprise. We facilitate collaboration amongst our agencies, as well as collaboration with our social media partners.

We bring perspectives of internal agency partners – Facebook as an example – together in a room. We make sure there is clarity with regard to roles and responsibilities for each agency and each partner is very well defined – what they do, what they don't do – and really making sure that they're focused on what they're good at, so keeping them in their wheelhouse.

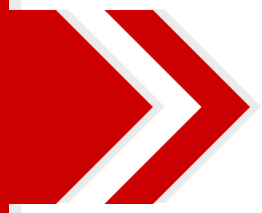
Also, the fourth piece of the guidelines policy is governance, education, training and so forth. The four of these things combined provide us with a basis to be able to operate from an enterprise perspective.

LN: *What is the role of IT in the COE efforts?*

DB: We work very closely with IT, particularly the first and the second pillar – the first pillar being the partnership that we've established with each of the platforms – and with an understanding of the type of data and information we have access to and how we collect. IT supports our needs in procuring the right types of analytic tools and engagement technologies that then allow us to take all that data and put it into a construct that we can benefit from.

IT does a lot of work with us on really understanding our data needs, understanding the type of data that we get from these platforms and helping us to put it into the right type of models, using our IT systems to get value where we can't necessarily buy it direct.

HIGHLIGHT INTERVIEWS (cont.)



In many ways the technical platforms that we buy for the social media community and content management are as a service, so IT takes us to the point of procurement. At that point we bear the cost of the licenses from a business standpoint and management of the day-to-day relationships. IT is very much involved in that front end. IT views communications as a business partner and vice versa.

HIGHLIGHT INTERVIEWS (cont.)

Natanya Anderson, Whole Foods Market

Natanya Anderson is the Director of Social Media and Digital Marketing at Whole Foods Market. She has been working with social and new media for over a decade with a focus on both strategy and execution, helping organizations change the way they engage with their constituents. At Whole Foods she is concentrating on how an extensive local digital footprint merges with a strong brand presence to create a unique customer experience that differentiates a brand, drives loyalty, and supports the retail experience. Additionally Natanya is leading a team that enables more than 1500 team members working on more than 800 social channels to be empowered local stewards of that shared customer experience.

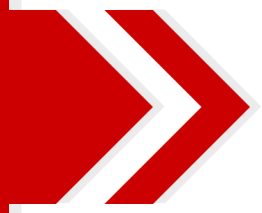
Leader Networks (LN): Natanya, thank you so much for making the time available for this discussion. I was wondering if we might be able to start off with having you share a little bit about yourself and role within the organization.

Natanya Anderson (NA): I've been with Whole Foods Market for two years. I am responsible for digital marketing, which includes social media operations and strategy, as well as email operations and strategy with the additional responsibility for the overall digital strategy for our major marketing campaigns. I report into the marketing organizations here at Whole Foods Market, which is part of the global communications organization.

My team is responsible for all of our brand social media channels, our brand email program, as well as responsible to support all of our constituents out in the local markets (360+ stores) using social and email for local store marketing.

LN: Okay. Now if we shift to the idea of collaboration and the level of collaboration required between IT and Marketing, who owns social initiatives in your organization today, and who do you think will or should own those in the long term? IT or Marketing?

HIGHLIGHT INTERVIEWS (cont.)



NA: My answer is neither in the long term. Today, social initiatives, big brand social initiatives, live in marketing, on my team in specific. We have a social media team. We're the ones who put forth social initiatives. When people want to do big brand social media initiatives they come to our team and they collaborate with us. Part of that's because, from a brand perspective, we're also the channel owners. You have to have our buy-in if you want at our channels because we are the gatekeepers.

But additionally we've worked really hard to position ourselves as resources to help make social support benefit whatever someone has, whatever someone's initiative is. We are at the heart of all brand social initiatives. Because of the decentralized nature of Whole Foods Market though, we have social media at every local level. Right now, as a company, we have about 815 social media channels. About 795 of those are at the local level.

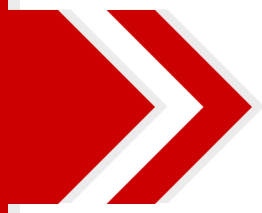
That means that we have lots and lots of small, local initiatives, local social initiatives that are established and managed all through the local store. Then often we're divided into 12 regions, and the regions are

the ones who say, "We're going to do this initiative. We're going to have this really great video initiative, and it's going to have a strong social sharing component. We're going to run a Twitter contest across the region to give away a trip to Spain." All of those start at the local level or the regional level and are managed entirely there.

I want the entire organization to be empowered to layer social into whatever its initiative is and to understand how social can benefit relationships with the customer. That doesn't mean that I want to see us have 1500 social media channels. At that point though, it's not about the channel. It's about having an understanding of the power of social media disseminated through the organization so that someone could come up with a really great idea and come back to my team and say, "Can you help me make this happen?"

I'm not always the initiator of the social initiative. I'm a facilitator. Over time the goal is for everyone to have – for social to pervade the organization. How do we make it core to the organization instead of a specialty?

HIGHLIGHT INTERVIEWS (cont.)



LN: *In the research, we're exploring the IT/Marketing relationship and have learned that IT and Marketing tend to be collaborating more on projects, especially due to social. Do you find this to be true in your experience?*

NA: Yes. I think that's for two reasons. In traditional digital marketing I think that there was this idea that IT were our partners in helping us buy systems that we would use. Then we would go through that process, and then IT would go onto the next project, and those of us in Marketing would just use the systems that were set up until it was time to buy a new system.


But I think because social is so fast-moving right now and there are so many opportunities – and the other thing is the nature of social is about connectivity and about integrating people and ideas and passions. It starts to pervade all of our systems. How do we integrate social into the website? How do we take Pinterest pictures and put those into mobile? Because it's an ongoing conversation about collaboration and using technology to connect people,

I believe that IT and Marketing have to become true, ongoing, collaborative partners so that we can keep up.

Part of social is about innovation. It's not about, "Let's buy this big, huge system." It's about, "Let's try this one, little thing in one place, and it has a small technology component and a small marketing component. Let's test that out and see if it works and what can we learn." I think that social has encouraged us to do more, smaller projects with our partners in technology because social is inherently technical. I think that's fantastic in terms of bringing these two key groups together and helping them understand how the other works in truly partnering.

Here at Whole Foods, in fact, I sit right next to IT teams. I think it's a really great thing because we're more able to turn to someone and say, "Hey, have you heard about this that's happening? What is your opinion on if I make this marketing choice? What do you think the IT implications are?" By having those kinds of partnerships, I think it helps us do smarter work that's more innovative and moves more quickly.

HIGHLIGHT INTERVIEWS (cont.)



LN: *Through the survey, we've also learned that despite the increase in collaboration, only about half the respondents think that collaboration is working well. What are some of the behaviors or outcomes you seek in successful cross-departmental IT/Marketing collaborations, and how do you know it's working?*

NA: I think the most important behavior that I seek in collaboration like that is the willingness to break down barriers and to be willing to question things that we always believed to be true on both the marketing side and the technology side. To be willing to not say, "We always do digital marketing this way. We always do email this way. We always deal with user credentials in this way, and we can't have this tool unless it's inside the firewall."

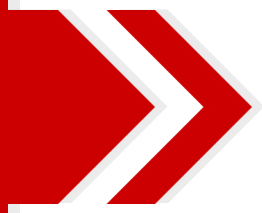
Both sides, I think, have a history of, "This is how we market. This is how we do IT." I know that it's really successful, and people are willing to say, "Well, I know we always did it this way, but I'm willing to try this other way." Because so much of what's happening in technology today is challenging established rules of working both in digital and in IT,

so much of social in this world lives in the cloud.

There are a lot of inherent risks in the cloud, and a lot of IT teams could just be like, "No. Nothing goes into the cloud." Having IT partners that are willing to say, "Okay, we can try the cloud in this way with a reduced risk, and Marketing, here's what we need from you." For Marketing to be able to say, "Okay, we're willing to adjust our thinking so that we have the opportunity to test what's happening over here in the cloud," is just one example of both sides being willing to understand that technology is changing marketing and marketing is changing technology.

How can we work together and be partners? Being open-minded, to me, is probably the most critical behavior. The successful outcome is being able to launch something in a timely manner that has a set of objectives and a way to test against them and to understand the results. A team that's thinking iteratively about, "Okay, let's test this and see what happens, and then let's come back together and try something else and see what happens."

HIGHLIGHT INTERVIEWS (cont.)



LN: *Along those lines, can you offer up an example of collaboration between IT and Marketing?*

NA: I can. We've discovered, as a Marketing team, that our customers are taking really fantastic images of our stores on Instagram. If you go to Instagram and you search the hashtag WholeFoods, our customers are, of their own volition, taking beautiful photos of our stores and what they love most about our stores and hashtagging them without any incentivization from us at all. We felt like this was a real opportunity to celebrate the work that our customers were doing.

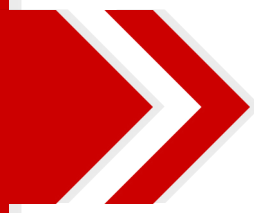
Certainly we could just throw up an Instagram widget on our website, but that's not the responsible thing to do because, unfortunately, people would take advantage of that. We could've partnered with someone who provides those services, but in talking with our IT team, we learned that it would be really beneficial for us to build a module for our content management system that would provide this functionality because we could give it back into the open source world.

We sacrificed a little bit of time on our side in terms of bringing this to market, and they sacrificed in space in their development cycles and being willing to do this work for us so that we could have the moderation that we needed, as well as some of the other features that we needed when we did want to run Instagram promotions or we wanted to celebrate certain kinds of photos from our customers.

They were really open to, "Here's why I'm trying to do this. Here's the benefit to our business." Of course, when you're talking about Instagram photos, it's not like I can bring a ROI model to the table and say, "If we do this thing, it's going to make us this many dollars in the business." It was instead, "Here's an idea celebrating our customers. We would like to try this out because we want to be customer centric and it's part of our company culture. Will you be our partners?"

Being able to have that conversation and then work through what the requirements look like and making the decisions that come with day-to-day requirements: How often are we going to pull these images?

HIGHLIGHT INTERVIEWS (cont.)



What does our cache look like? The technical team being willing to explain the limitations to me or the needs that they had about managing the load time of the website and all of the technical overhead so that I could make a sound marketing recommendation and we could come to a place of our needs plus the customer needs was really a productive conversation.

LN: I like the way you phrase that, celebrating our customers. In the survey, respondents that reported they did not collaborate well with the other departments – so either Marketing or IT – the most common reason given was that organizational culture didn't support cross-departmental collaboration. Does your company actively support cross-departmental collaboration?

NA: Yes. Collaboration is at the heart of Whole Foods Market, and we very rarely make any business decisions or key business decisions outside of collaboration. It's just part of who we are. Sometimes it means that things are a little bit slower, but the company understands and celebrates that they would rather take a little bit longer to make a decision and be sure that it

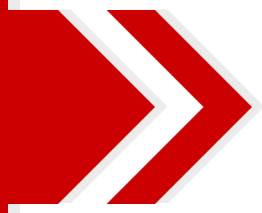
was made with the considerations of all the proper stakeholders than to move to decision too quickly and potentially not respect the needs and the desires of all of the relevant stakeholders. For us, it's core to who Whole Foods is.

LN: Can you or would you be willing to share some common missteps and any insights on how to possibly avoid them?

NA: When you're trying to work in collaboration the important thing is to understand who needs to be part of the collaborative group and what the process looks like for getting collaborative buy-in. Sometimes we have teams that are 30 people, all who have the opportunity to have an opinion, and it can make reaching collaboration a little bit difficult.

Certainly, everybody feels like they have an opportunity to have a say, but you take a hit to productivity, and sometimes you can't come to a consensus when you let it be a little bit of a free-for-all for folks. One of the models that we use here is we have collaborations around marketing campaigns. There's a leadership team in the collaborations. They do a lot of work to take

HIGHLIGHT INTERVIEWS (cont.)



in feedback from various members of the larger collaborations and to file it down to one or two options or one or two pieces of consideration for the larger collaboration.

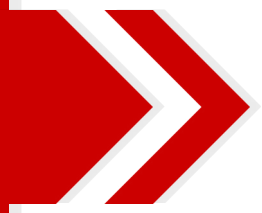
Instead of having all those people come into a room and say, “This is what I think about this thing,” the collaboration leadership takes that in, creates some opportunities for conversation and brings it back to the broader collaboration. That’s worked for us very well in terms of making those collaboration meetings feel very much more productive, but also everyone feeling like they at least had an opportunity to have a say.

It puts a real burden on the collaboration leadership to be willing to take in all of that feedback, synthesize it and then take it back to the group, but I think it’s made our collaboration groups really much more successful. Then I think the other thing is for the collaboration to have a clear objective or project and a specific outcome that they’re trying to achieve really helps. When you have a group of people who get very excited about something, they could potentially take the collaboration a lot of different directions.

Saying, “This is why we’re all gathered here today. This is what we’re trying to accomplish,” and always having someone who’s willing to bring the collaboration back to that focus point. Then the last thing is I found that when we have – even if there’s a very large topic to tackle, whether it’s something like social media policy or, “What does digital marketing training for our entire company look like or what is our brand?” – breaking the collaboration down into a smaller subset of projects and things to tackle and creating just a little bit of structure.

Otherwise I feel like groups can be very easily overwhelmed by, “It is your job, collaborative group, to rethink our brand.” Without a little bit of guidance around priorities and an agreed upon approach to attacking that, the group can get mired in analysis paralysis. That’s another one, which is creating just a little bit of structure for those collaborative groups.

HIGHLIGHT INTERVIEWS (cont.)



Then, because collaboration is so key to who Whole Foods is, it's the job of leaders and those who've been inside the organization for a long time to help those who are new to the organization understand how to participate in the collaborative process.

LN: Can you elaborate a little bit on the role of the collaboration leadership teams? Are these formal positions?

NA: Well, typically it depends on the collaboration that we're working on. For example, in marketing there's a group of folks who may represent brand marketing, regional marketing, product marketing. They are the ones who, for example, they might work on strategic direction for the collaboration, and they see the collaboration because the audience we're trying to service, this is the approach. This is our strategic approach, and these are the KPIs. These are the ways we're going to judge our success. These are the considerations that we need to bring to play.

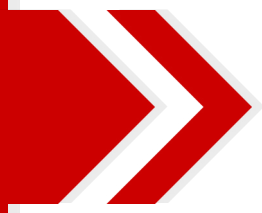
They have to form consensus among themselves if there are only four people or a handful of people, and they bring that

to the collaboration. Then, for example, say we're reviewing creative and we put out three creative components. Instead of having everybody get into a really big room and say, "I hate that color blue. I really love that photo," they ask everyone to send them their feedback.

They use it as a way to synthesize and look for trends because one of the things that happens in large collaborative groups is that people will often share opinions that, by themselves, are just an opinion, but when you put a group of opinions together, themes and trends start to emerge. Then the collaboration leadership can bring that back to the bigger group and say, "This is what we thought we heard from you. Please validate that for us. If we missed a point, please let us know."

It's a way to turn individual opinions into guidance for the group that can be sanity checks, if you will, and then lead to a next action: "Okay, this is the direction we're going to take with the creative. Yes, we're going to do this with our social program and not do this other project."

HIGHLIGHT INTERVIEWS (cont.)



LN: Final question. What does the future of the relationship between IT and Marketing look like? You talked about this a little bit previously, and I wanted to see if we might be able to elaborate on this a little bit. Will marketers develop deeper technical skills? Does IT become more involved in the voice of the customer?

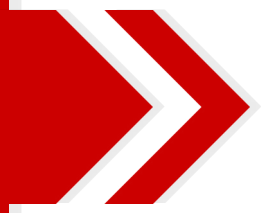
NA: I think that digital marketers who don't understand the basics of the technology on which they market are doing themselves a disservice because digital marketing is so dependent on the technology. I have a background in technology. I've worked on development teams, and it's served me very, very well as a marketer because I inherently understand what's happening from a technology perspective.

I can have a coherent conversation with an IT partner. I think it makes me a stronger marketer. The marketing and the technology are now completely intertwined. Understanding how Twitter is different from Facebook is different from Instagram – like the fact that Pinterest doesn't have a publicly available API – are important distinctions.

It's important for me to understand what an API is and what the ramifications are of it not being publicly available as opposed to Instagram having a publicly available API because that means that there are different things I can do with Instagram. It's that level of understanding that's important. I think also, as we start to look at analytics and understanding the data that we're getting and how to read it – in the Facebook API there's certain data that you can't get through the Facebook API.

Conversely, there's certain content that you can't pull through the Facebook API because of the limitation of Facebook. It's not right for me to be upset with my IT partner when I want a functionality that the Facebook API doesn't support. I don't have to understand the Facebook API inside and out, but it's very important that I understand the role of the API and what it allows us and doesn't allow us to do.

HIGHLIGHT INTERVIEWS (cont.)



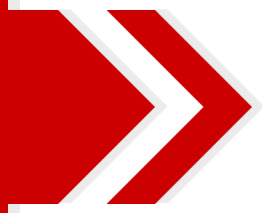
Then conversely, I think it becomes important for IT to recognize that marketing isn't just banners and things that we post on the web, but that we really are facilitating a relationship. Technology brings us the opportunity to have customer experiences that move beyond traditional marketing.

I love it when my technology partners say, "Did you know that the tech can do this thing? How would that help us have a better conversation with our customers?"

They don't have to become marketers, but instead, having them understand that they're contributing to the business-as-relationship with our customers and that the technology is that bean pole and for them to be willing to put the customer first is where I believe that that role will need to go.

The technology folks that I've worked with here at Whole Foods and in other places who are customer centric are the ones who are the easiest to partner with, particularly in social.

HIGHLIGHT INTERVIEWS (cont.)



Michelle Middleton & Mark Berthiaume, Chubb and Son, Inc.

Michelle Middleton is the Commercial Strategic Marketing Manager and Senior Vice President of Chubb and Son, Inc.

During her 25-year career with Chubb, Michelle has held multiple leadership positions, including Commercial Lines Division Manager, Tampa, Florida; Worldwide Commercial Automobile Manager; and Worldwide Commercial Excess Umbrella Manager, Chubb Commercial Insurance (CCI). Michelle has global responsibilities for property, casualty, specialty and surety product and services marketing, online solutions, and knowledge management.

As a member of the Chubb Social Media Governance Committee, Michelle has been actively involved in the development of the Chubb Corporation's approach and entry into social media marketing and social business.

Michelle sponsored Chubb's recent diverse buyer marketing development effort and has served as Co-Chair, CCI Diversity Council, for two years. She passionately serves as a mentor to business women and men at Chubb.


Michelle graduated with a Bachelor of Science degree in Political Science from Vanderbilt University. She is married with two children and resides in Annandale, New Jersey.

In her spare time, Michelle and her husband, John, share a passion for wine-making and began their journey with the launch of Midpoint Winecellars in San Francisco, California.

Mark is Senior Vice President and CIO for Specialty and Commercial Insurance at Chubb.

Mark joined Chubb in 2001 and most recently has been working on transforming the Specialty, Surety and Commercial IT organizations as well as rebuilding various systems platforms and processes.

HIGHLIGHT INTERVIEWS (cont.)



He has held previous senior IT positions with Monarch Life, Hanover, MassMutual, and Royal & Sun Alliance. Mark is a Summa Cum Laude graduate of Western New England University with a Bachelor of Science degree in Business Administration and serves on the college's IT Advisory Board. Mark was the recipient of Insurance and Technology magazine's Elite 8 award in 2009 and is also a member of the Society for Information Management.

Leader Networks (LN): *Thank you so much for taking the time to speak with me. I am delighted and honored that you took the time to do so. Before we get started, could we talk about your different roles in the organization?*

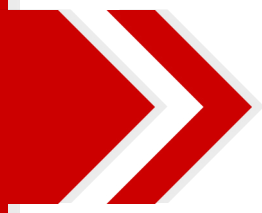
Michelle Middleton (MM): I manage Commercial Strategic Marketing for Chubb. I work with our property/casualty, specialty and professional lines of business, Chubb Surety, and Chubb Custom Market to develop their marketing solutions from collateral to business intelligence and online digital solutions.

Mark Berthiaume (MB): Michelle and I have similar paths of responsibility. We are two of the few people in Chubb that work across multiple strategic business units. I have responsibility for the same business units as Michelle, but from an IT perspective. We work with multiple leaders in those business units—and we ultimately report to the business units' chief operating officers. I also have a dotted line to Chubb's global CIO.

LN: *How has your work partnerships been impacted by Chubb's social innovation efforts?*

MM: Our work partnership actually predated Chubb's social innovation efforts. Marketing is dependent upon developing insight from information, and the platforms that IT provides are foundational to obtaining that information. For instance, we may rely on external platforms to bring insights or requests in from our insurance agents or current or potential customers, or internal platforms to help us gather data from our production system and allow us to better understand our portfolio. E-mail marketing initially brought us together, so there are other things besides digital and social that drive our collaboration.

HIGHLIGHT INTERVIEWS (cont.)



MB: I find it surprising when I hear about IT and Marketing not collaborating deeply. It just seems like this would be a natural interaction. If social media is just introducing the two organizations, that is a clear problem for a company.

LN: *At Chubb, who owns social? Is it a shared budget and a shared accountability? Or does it sit within one of your organizations?*

MM: Chubb's entry to internal social media started with our Innovation Officer, who was responsible for coordinating the team that developed a broad blueprint of the communities within our collaboration platform and then began looking for next-generation add-ons to that architecture. External social media is managed by Corporate Communications; we manage our participation in all social networks through our corporate guidelines and code of conduct.

As a socially networked organization, our collaboration platform is wrapped around business issues—since we consider social media to be “social business.” People issues, industry issues and product/service

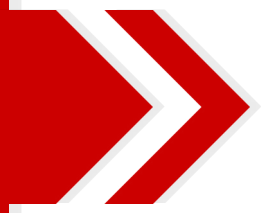
issues are all discussed via the platform and then solutions can be found.

Our internal collaboration tools allow us to have dialogues between dispersed people in the organization around specific topics. For instance, it could be one of our employee engagement groups, such as the Working Parent Network discussing caring for elderly parents or a large community of people working on a business development initiative. Our social business platform has close to 400 different communities on different topics, and it's growing bigger every day. It's global and it's in many different languages. It's truly a phenomenal story.

LN: *As an insurance company, has the fact that Chubb is in a regulated industry impacted your approach to becoming a socially enabled enterprise?*

MM: On a day-to-day basis, Chubb operates under a code of conduct as an employment best practice. We also have guidelines for our social business collaboration efforts. Those guidelines offer guidance on what is appropriate and what is inappropriate for discussion.

HIGHLIGHT INTERVIEWS (cont.)



We have a couple of external communities for our clients and a few for our agents, distributors and other parties with whom we conduct business. A business code of conduct applies in all of those relationships, and it's very transparent. For example, the customers in a community may all be members of the same market segment, so they are also competitors. As a result, there will be certain topics that they will want to discuss as a peer group and other topics they don't want to share in a public forum.

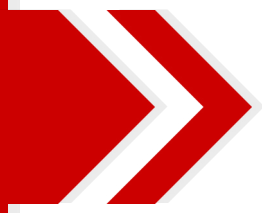
We're using the communities as a thought leadership conduit. For example, a community may share the current trends in cyber breaches or safety advisories and loss prevention materials to help its members remain aware and learn more about these risk management topics. One extremely successful case study is our use of social business to gather innovative ideas from the independent agents that represent us. Our agents will tell us, "Here are our ideas. These are the things you should be working on." We'll have innovation events where they will provide us new ideas for products and services, as well as their insights via the collaboration platform.

MB: We use a SaaP [Software as a Platform] environment for our entire innovation community. We kicked off Chubb's new innovation community with a number of innovation events that involved employees and agents and brokers. Each event had a beginning and an end. Ideas were submitted and scored. There's a scoring mechanism that allows the community to score the ideas, and those that garner the highest rating move to the top of the list. The top ideas are evaluated by an internal group that selects those that will be asked to develop a business case. The "winners" receive funding from senior management to proceed in developing their idea.

LN: *In your opinion, how does the Chubb culture enable cross-departmental collaboration?*

MB: Collaboration is definitely part of the culture of Chubb. Chubb has always been a relationship company, and that relationship model works internally and it works externally. The innovation program at Chubb is really amazing. It has senior level support, it has its own funding, it reaches out broadly within and outside of the organization, and it's been very successful.

HIGHLIGHT INTERVIEWS (cont.)



There are a lot of companies that don't make it in that space, but we have, and I think a lot of it has to do with our culture.

MM: Innovation can start with a simple question, "How could we demonstrate to you our commitment to making it easier to do business with us?" When we asked this simple question of our agents and brokers, many ideas came back such as, "I can't read your premium bill." That's not innovation like a new gadget or a new app. But a new premium bill could be considered innovative in its simplicity and a benefit to our customers. A change to the bill could drive the need for additional collaboration via the platform.

LN: *What advice do you have for organizations that are just starting to try to bridge the Marketing-IT gap?*

MB: I was brought up as an IT guy since I graduated from college and started working as a programmer trainee. I was taught that there is a systems development life-cycle methodology to how you build and engineer and quality-assure systems. But, I've learned that the more you get caught up in that when it comes to dealing with

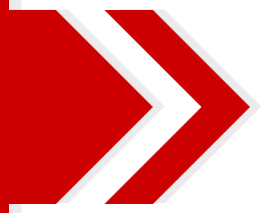
these platforms, the more you become an impediment.

These are not platforms built around a traditional IT software engineering process. These are configurable platforms. These are platforms that are built to come out of the box, and they're built for value. My team and I have had to take a few steps back to get smart about the real division of labor between Marketing and IT and what's really most important to effect change quickly.

What do we do as an IT group to enable social business? The focus is on making sure that we govern properly and adhere to Sarbanes-Oxley process controls and data privacy issues. It's a different set of challenges from an IT standpoint than the traditional "You tell me what you want, and I'll build it and deliver it for you."

MM: You've got to work to build trust between the two organizations. It can start with the CMO and the CIO working on projects together. Once you put a need on the table and you have a couple of meetings to discuss how to move forward, it's amazing how the relationship starts to build. You articulate your business needs, you start

HIGHLIGHT INTERVIEWS (cont.)



listening, and then you can begin to create solutions together. I found that a task effort or a work group effort does just that.

MB: We're part of a relatively small leadership team. We sit around a table every few weeks. We know what's going on in the business. We know when there are growth issues, we know when there are market-related opportunities, and we know when it's time to jump in. When it's time to jump in, we jump in as a team. It gets back to the need to have everyone pulling in the same direction.

LN: *As you both look forward, which of course is sometimes difficult to do, how do you see measures of success perhaps changing because of social business?*

MB: I would say a lot of the social space and the collaborative results to date have been around "so how do we connect and how do we talk and how do we decide upon actions" without a hard focus on bottom line impact.

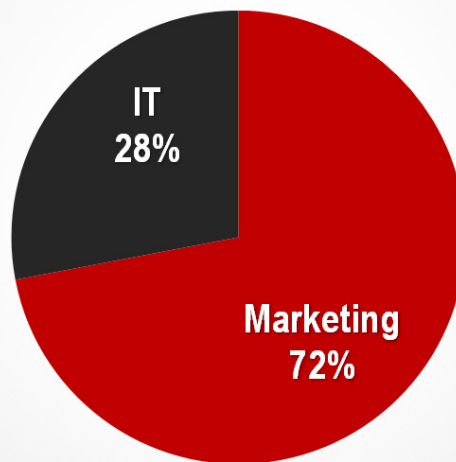
What we haven't done is mine a lot of that social space in an automated way—so big data and analytics, going after those opportunities, will be our next venture for 2014. We want to look at driving more growth and more profitability for the organization around some of these areas.

We've stuck our toe in the water, we've developed good innovation opportunities, and we've connected with our producers. Now it's time for us to make more of a connection to the bottom line.

FIRMOGRAPHICS

Professional Role

Question: Which of the following best describes your Professional Role in your organization?



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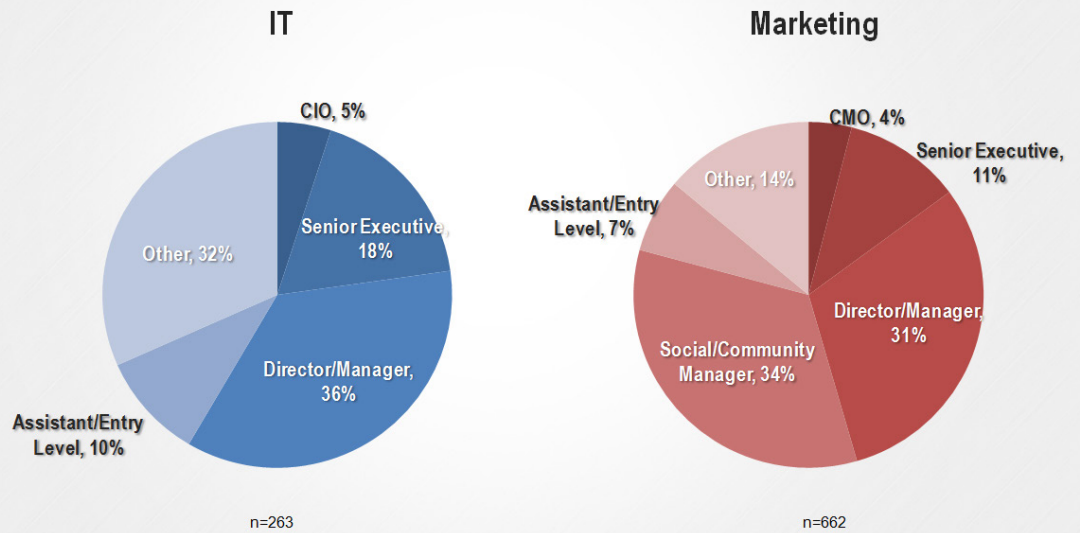
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FIRMOGRAPHICS (cont.)

Professional Role

Question: Which of the following best describes your Professional Role in the Marketing/IT area of your organization?



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FIRMOGRAPHICS (cont.)

Primary Type of Business

Question: Please indicate your organization's primary type of business.

Business Type	Proportion	Business Type	Proportion
Business Services	10%	Government	4%
Education	9%	Hospitality	3%
Financial Services	9%	Printing/Publishing	3%
Manufacturing/Production	7%	Telecommunications	3%
Distribution	6%	Technical Services	2%
Healthcare	6%	Entertainment	2%
Computer Products	6%	Social Media	2%
Technology	5%	Market Research	1%
Nonprofit	5%	Utilities	1%
Consumer Products	4%	Other	12%

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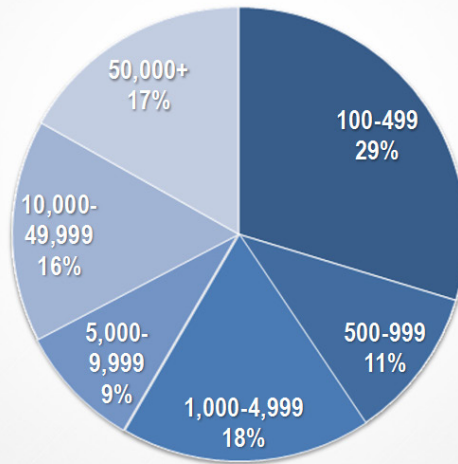
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FIRMOGRAPHICS (cont.)

Number of Employees

Question: Approximately how many full time employees does your organization have worldwide, including all divisions and locations?



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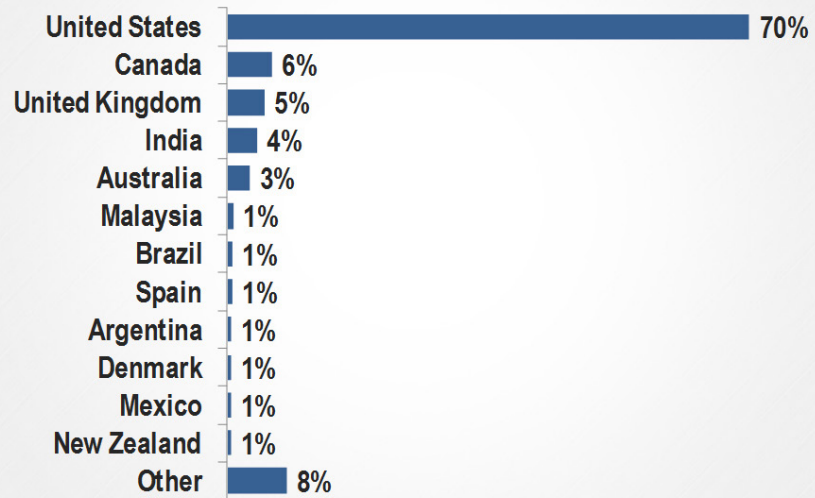
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FIRMOGRAPHICS (cont.)

Country

Question: In what country do you work?



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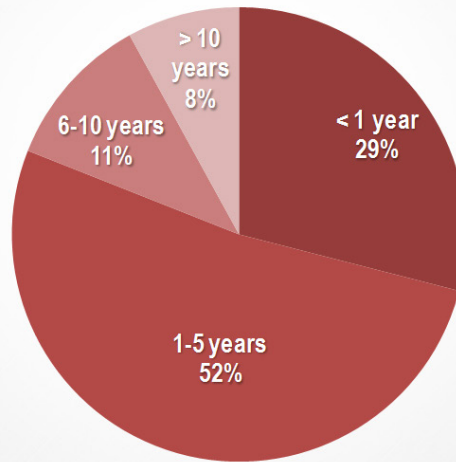
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FIRMOGRAPHICS (cont.)

Time in Current Role

Question: How long have you been in your current role?



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