By David Mackey

What Global Business Requires
In the global marketplace, businesses, customers and employees are publishing and consuming vast amount of information. According to the Harvard Business Review, there was more data generated in 2009 by individuals than in all of human history through 2008.

People who discover, share and increase the value of that information put their businesses ahead of their competitors. Such information has the power to accelerate innovation, move products to market more quickly and enable employees to find it easier to collaborate and share information where and when they need to do so.

This emerging, decentralized business landscape calls out for collaboration. In fact, businesses increasingly consider collaboration essential to their success, according to a recent global survey commissioned by Avanade. More than 80 percent of those surveyed concurred that enterprise-wide collaboration is more important than individual specialization for success. And in that same survey, 75 percent of the companies said they expect more use of collaboration tools in the next year.

Lower Costs
One reason for the interest in collaboration stems from the cost and efficiency benefits companies envision. Some companies have been able to reduce travel expenses by as much as 25 percent, depending on how much support the virtual teaming and teleconferencing infrastructure provides. Paper costs drop as companies share, review and edit more documents online from different locations.

Time savings occur because companies obtain pertinent information faster. Training expenditures diminish as teaching becomes more automated and accessible.

Higher Productivity
Another benefit includes improved productivity. The search for needed information can take time and money. CIO Symmetry blog on TechTarget cites a 2009 IDC study that estimates the average costs associated with employees searching to find the information they need for their job amounts to $3,300 annually for each employee. Based on the study, companies have seen a return on investment from using collaboration tools because they save money that would otherwise have gone to paying people to spend more time hunting for information and solving problems.

Making information workers more effective improves the bottom line. And companies must minimize the effects of being overwhelmed with information. Consider the following:
• Information Workers spend 30% of their time hunting for information, according to the IDC report;
  o Fifty percent of that time, the information uncovered can’t be trusted and gets abandoned;
• Information overload decreases effective IQ at the same rate (-10 points) as daily marijuana use according to a survey carried out by TNS Research;
• The amount of available information increases constantly, effectively increasing the time it takes to find the right data.

**Flexibility**
In tough economic times, and when competition increases, a flexible IT infrastructure saves money. This infrastructure must both expand, and contract, to accommodate changing business needs. It does so by enabling rapid responses to changing business and market conditions. And it minimizes the need for scarce and costly IT professionals. From an IT and development perspective, a flexible infrastructure provides cost savings by repurposing existing investments for new business solutions.

**Collaboration defined**
Before companies consider collaboration as a solution to meeting business objectives, they need to understand its use within the context of the business.

Why? It’s because collaboration involves people and technology. The technical and behavioral conditions must be clearly understood. That will enable organizations to identify their current pains and be able to strategically address those needs. It also makes it possible to measure and tune the result of the solution after it is deployed.

In short, businesses need to determine what they want to solve—before they discuss the features or functions. Based on Avanade’s work with global customers, there are several consistent patterns involving how collaborative technologies impact the business. They include:
1. People finding and communicating with others (corporate or team-based communication)
2. People locating and acting on relevant job-related data (decision making)
3. People executing tasks together (project collaboration)
4. People consuming, refining, and qualifying information (Innovation)

Companies benefitting from collaboration have defined the combination of collaboration and social networking as what is often referred to as the “Four C’s.”
1. Content (creators, curators, consumers)
2. Collaboration (collective action, co-creation, conversations)
3. Community (personal reputation)
4. Collective Intelligence (more informed workforce, information as enabler for innovation)

It can’t be understated: success takes place when an organization considers the people, the process and the technology requirements at the outset. They all feed on each other. Projects that focus on just the implementation of the process, or only the technology, often fail. Successful engagements result from a careful examination of each. The patterns above can help tailor initial discussions.

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**Information overload decreases IQ at the same rate as daily marijuana use.**

**Effects of Improved collaboration**
Several customer scenarios can illustrate the effects of digital collaboration in practice. In 2007, Avanade published a paper regarding the profound business impact collaboration would have on organizations over a three- to five-year period. The points made in that paper remain valid today. And in this paper we are building upon them.

Specifically, Avanade’s vision for digital collaboration in the enterprise is built around three areas where we see the most opportunity to create efficiency and productivity breakthroughs in how people work with information, and with each other, across a global enterprise:

- First, finding knowledge and people enabled by search, along with content and physical assets with context information (semantic keywords, presence, location, business processes, etc.) as a mechanism to automate the discovery and usage of information and expertise.
• **Second, enabling and fostering the development of user-driven content and communities** to maximize employee contributions and connection to the organization. Transforming ideas in people’s heads and laptops into broadly used organizational assets and harnessing the power of communities as proven by the Internet.

• **Third, connecting the world of the knowledge worker with the operational view of the enterprise and with relevant external information**—i.e., integrating familiar, easy-to-use spreadsheets, email, and virtual workspaces with information from corporate systems like ERP/CRM and third-party services—empowering employees with data and information that is critical to decision making but typically not easily accessed or used in enterprises today.

These areas point the way toward other benefits, such as getting to market faster, improving customer service and retaining employees more successfully.

**Faster Time-to-market**

Product companies can benefit from collaborative technology by decreasing product development cycles. Consider a global pharmaceutical company based in the United States. The company reduced product development by delivering an improved collaborative framework that integrates the product development processes with governance and regulations requirements. That results in shorter product cycles. The quicker the company can bring drugs to market, the longer they can be sold under the company brand, which increases revenue.

Through business collaboration, corporations can increase customer satisfaction.

In another example, a company in the financial services industry replaced antiquated communication tools with a collaborative workplace used to construct and support insurance products. Customer service and revenue increased because collaboration enabled the company to streamline industry-specific work processes, provide service representative training, and offer business-to-customer collaboration, and product quality.

**Improved Customer Service**

Through business collaboration, corporations can increase customer satisfaction by providing tailored, self-service applications to their customer base. These solutions can deliver a collaborative content management system for the help-desk team. Technical Support publishes diagnostic and troubleshooting content used to help resolve common customer issues.

That reduces the amount of time the help-desk team spends answering the phone.

In one case, a multinational software company used a solution that allows store managers to fix revenue generating computers, printers, and copiers. In another case, a global computer hardware and software company used a web content management solution design to allow a successful product configuration and setup. In both examples, the improved customer satisfaction resulted in happier customers, reduced support costs and increased revenue.

In fact, one of the companies was able to deflect call volume by 10 percent, which saved it $300,000. That savings paid for the investment in the solution within the first year.

**Improved employee retention**

Fostering a collaborative corporate environment reinforces and amplifies behaviors that improve employee morale. The millennial generation—those born between 1980 and 1998—expects to use collaborative tools they use in their personal lives. Such a collaborative environment builds leadership and career opportunities by helping employees work together better. Ultimately, it can have a positive impact on the bottom-line. One way to accomplish that is to create a directory of knowledgeable people that could enable individuals to share their expertise. This would increase “collective intelligence.” It would help connect those who need to know to those who know. Think of it as a corporate social network.
Take Mergers and Acquisitions, for example. M&A are the mainstay of modern business. With the right collaboration strategy in place, companies can help to maintain a knowledgeable workforce, which enables faster integration during the M&A process and result in more informed decision making.

One telecommunications company merged with 19 other companies. It knew the experts and information was spread over several countries. But travel cost too much. So the collaborative solution involved the creation of a centralized knowledge portal. Immediate, centralized access to the information became available, which reduced travel costs and increased productivity.

**Why Collaboration initiatives fail**

Several contributing factors lead to the failure of collaboration initiatives. First of all, companies can find the benefits of collaboration notoriously hard to quantify. It is true that collaboration technologies can be measured in cases such as lowering travel costs, as illustrated earlier.

But measuring the direct effects of the act of collaborating is very difficult. At the core here is the inability to use a control that measures what collaboration can do.

Also, collaborative behaviors evolve over time. They yield improvements as both the technology and the human behaviors permeate the business. Measuring applications misses the point. What matters most to organizations is the effect of these changes over an extended period of time and how they help impact business outcomes to bring about company improvements.

**Avanade’s View on Collaboration: Connect and Innovate with Agility**

In this new, “normal” economic environment, companies need to be able to connect with people internally and externally, produce products and services that are innovative and differentiating and distribute those products and services faster and more effectively.

What will that require? Collaboration.

Collaboration enables companies to keep in touch whenever, wherever they need to do so. It accelerates their entrance into the markets they want to dominate. It drives innovation. It stretches across the globe. It improves how employees do their work.

Connect and innovate with agility. Three keys to competitive differentiation enabled by collaboration.

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**The millennial generation expects to use the same collaborative tools on the job as they use in their personal lives.**

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**Collaboration Paper Series: What’s Ahead**

This paper marks the first in series of tightly focused points of views that will focus on the value of better collaboration solutions. The next one will focus on how expert sources can be accessed.

More than 90 percent of companies in Avanade’s global survey noted that email is essential for their company’s business interactions. It connects people and helps them share information.

But email has become so pervasive that it contributes to information overload. Every business consumes and publishes information. Often, the information we need involves knowledge that someone else has. That presents a greater challenge.

Those businesses that find share and leverage information faster gain the competitive advantage. We’ll explore how companies can unlock and leverage all the expert knowledge locked up in their employees across their enterprise.

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**Footnote**

1 CIO Symmetry (TechTarget), “Do collaboration tools really increase employee productivity.”  