

Enterprise 2.0

How Social Software Will
Change the Future of Work

NIALL COOK

GOWER

Foreword

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The notion that the corporation is changing fundamentally has been around for decades – dating back to Peter Drucker's seminal work in the 1980s on 'The New Organization'. In 1992, I discussed what I called 'The New Enterprise' in my book *Paradigm Shift*, saying 'the corporation of old simply doesn't work anymore. Business transformation enabled by information is required to succeed in the new environment.' I argued that a new enterprise was emerging – open, networked, truly global and focused on knowledge workers who were empowered to innovate. Other management thinkers developed similar views during this period.

During the dot-com period of the mid to late 1990s there was a new surge in discussion of the fundamental changes to the corporation. In fact one magazine still around today was called *Business 2.0*.

But serious discussion of the new enterprise did not begin until almost a decade later. Why not? In hindsight these were ideas in waiting – waiting for fundamental changes in technology and the global business environment that pre-conditioned their success.

In particular, the technology of the past including the dot-com boom had relatively limited economic reach. And as with all big innovations throughout history, like the steam engine, electrical power, telephone or television, we saw a speculative bubble and crash. The next stage that evolves over a period of decades – the one we're entering now – is when the technology comes of age and new business models come to fruition.

Today we can see that a fundamental change is occurring in how companies compete. In particular, the rise of the new web, or so-called Web 2.0, is enabling new business strategies and designs – that enable firms to create differentiated value and/or lower cost structures – and therefore competitive advantage.

Thanks to Web 2.0, companies are beginning to conceive, design, develop, and distribute products and services in profoundly new ways. The old notion that you have to attract, develop and retain the best and brightest inside your corporate boundaries is becoming obsolete. With costs of collaboration falling precipitously, companies can increasingly source ideas, innovations and uniquely qualified minds from a vast global pool of talent.

It is becoming clear that a new kind of enterprise is required – one that orchestrates resources, creates value and competes very differently from traditional firms. These new enterprises also drive important changes in their respective industries and even the rules of competition. My research and experience shows those that understand these changes can gain rapid advantage in their markets and build sustainable businesses. Collaborative innovation is growing at an accelerated pace due to the phenomenal success of early flag bearers. So garnering a head start in accumulating experience pays big dividends.

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There are important opportunities inside and beyond corporate walls. Recently, in part due to a widely read article on 'Enterprise 2.0' written by Harvard's Andrew McAfee, the idea has become associated with collaboration inside the firm. While this is only one dimension of the new enterprise, it is a critical one. Managers can exploit social networks, wikis, blogs, tags, collaborative filtering, digital brainstorming, telepresence and other tools of what Anthony Williams and I call 'the wiki workplace' in our book *Wikinomics*. These tools enable powerful new approaches to collaboration that cut across organizational silos and unleash the power of human capital. Loosening hierarchies and giving more power to employees can lead to faster innovation, lower cost structures, greater agility, improved responsiveness to customers and more authenticity and respect in the marketplace. The nature of work is changing.

Niall Cook takes this discussion to the next level by explaining how social software can transform such collaboration. This book provides language and taxonomies that will be very helpful for any manager in understanding and harnessing the myriad new software tools and the opportunities they provide to transform the nature of work for the better.

Read, enjoy and prosper.

Don Tapscott¹

¹ Don Tapscott is the author of eleven books on the application of technology to business and society, most recently with Anthony D Williams, *Wikinomics: How Mass Collaboration Changes Everything*. His forthcoming book is *Grown Up Digital – The Net Generation Comes of Age* (Autumn 2008).