Super Connectors

The role of HR in the 21st century

Abstract

This essay makes the case for the role of a Super Connector in large organisations whose sole responsibility is to create the same levels of connectivity, collaboration and productivity achieved by open source movements, conversational software and social media platforms. It recognises the need for evolution rather than revolution and most importantly describes the end game, and the implications for leadership, employees, revenue, stakeholder investment return and market valuation.

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Introduction

The horrific events of September 11th and their aftermath, including war, restricted mobility, big government, and fear. The banking crisis and its economic crimes against humanity, crippled economies, the shift of power to the East, pandemic flu, climate change, peak oil, the war on terror, the emergence of social networks the size of continents, a black US president. When will things get back to normal? They are. This is the new normal.

Business and government aren’t structured or designed to cope with this rate of change and it’s apparent even to the layman they’ve struggled to understand, react and adapt to a seemingly endless stream of social, economic and political crises, many of which don’t even arise in their own countries.

In business, entire industry sectors have seen much of their value destroyed by upstarts using cheap, open source technology, offshore software development and financial support from visionary venture capitalist firms. Some parts of the media industry in particular have experienced massive destruction in value, most significantly by the omnipresence of file sharing networks. TV, print and broadcast based advertising in general are in decline and the next generation of consumers simply aren’t interested in it, almost exclusively preferring peer recommendation. Even the porn industry has been eclipsed by social networks and social media sites, now the most visited web sites on the planet.

Mass action and mass participation enabled by internet mediated social software has forced political u-turns, embarrassing corporate climb downs, regime change, and put presidents into office. The biggest story of the 21st century is the realisation that a 2000 year old model of centralised, command and control organisation is unable to adapt to an ‘outside world’ that is increasingly network centric and decentralised. It isn’t fit for purpose. It’s that simple.

This essay makes the case for the role of a Super Connector in large organisations whose sole responsibility is to create the same levels of connectivity, collaboration and productivity achieved by open source movements, conversational software and social media platforms. It recognises the need for evolution rather than revolution and most importantly describes the end game, the end state; and the implications for leadership, employees, revenue, stakeholder return and market valuation.
The table below describes the differences between the old industrial economy and the new network economy. Clearly we’ve been in transition for some time and few people would argue against the new economy trends. However, it doesn’t convey the sheer speed at which markets are changing and whilst most organisations can rightly claim they’re ‘living and breathing’ the new economy, many struggle to keep up.

Table 1 - The Network Economy

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Productive professionals make big enterprises competitive, yet these employees increasingly find their work obstructed. Creating and exchanging tacit knowledge through interaction with their professional peers internally and externally is ‘what they do’. Yet most of them squander endless hours searching for the knowledge and access to people they need, even when it resides in their own companies.

Mckinsey reported in 2005, “Each upsurge in the number of professionals who work in a company leads to an almost exponential—not linear—increase in the number of potential collaborators and unproductive interactions. Many leading companies now employ 10,000 or more professionals, who have some 50 million potential bilateral relationships. The same holds true for knowledge: searching for it means trying to find the person in whose head it resides, because most companies lack working “knowledge markets.”

One measure of the difficulty of this quest is the volume of global corporate e-mail, up from about 1.8 billion a day in 1998 to more than 17 billion a day in 2004. As finding people and knowledge becomes more difficult, social cohesion and trust among professional colleagues declines, further reducing
productivity”.
The traditional theory of the firm was about the unitary, rational actor that more or less controls all the pieces of the puzzle that it needs in order to produce its outputs but today global companies are part of a huge set of interlinked networks across the planet. They are creating value by any means necessary, no longer constrained by hierarchical relations and boundaries. Crucially, there’s been very little innovation in labour models, transparency and the decentralisation of decision making, the hallmarks of network centricity, that enable an organisation to innovate and change before the case for change becomes desperately obvious.

Major problem solving activities and the creation of new ideas is still the reserve of a small number of people at the top who lack the diversity of inputs needed to come up with the kind of innovation that enables the organisation to compete.

The future of an organisation is as much about the nature of its issues, as it is about its capacity to invent social structures able to solve them. That’s why social software is at its most transformative inside the organisation and the implications for its performance, sustainability, value and long term survival, are far reaching.

Enter the role of the Super Connector – the guardian of an organisation’s DNA, it’s personality, it’s heart beat – a collective, collaborative group that creates a social fabric in which peer-to-peer production can occur; a form of production that brings with it unimaginable levels of value creation.

2 What is a Super Connector?

The term Super Connector refers to a group, a single entity. In traditional terms it’s a function like IT, finance and other shared services. It has a leader but not with the word ‘chief’ in their job title, as in Chief Listening Officer or Chief Network Officer because ‘chief’ implies and re-enforces the very command-and-control behaviours a Super Connector seeks to change. Network Leader is more appropriate because leaders get their support and power from the ‘bottom’ of the organisation where as chiefs and managers get theirs from the ‘top’.

For the purpose of this essay Super Connector refers to both the role as Network Leader and a functional group that delivers a portfolio of network services to the organisation, its partners and suppliers. It must have a wide range of technical and social (or community management) capabilities to have any chance of creating value for the organisation.
The Human Resources (HR) function is traditionally responsible for pay & rewards, regulatory compliance, and talent acquisition. Given how much of this is outsourced, one has to wonder exactly what role HR has to play in a networked economy. The most visionary HR professionals will see their role as the sponsor of a Super Connector that serves and joins up the core silos that exist in all large organisations. HR functions have to evolve into active enablers of knowledge flow and connectivity across the entire business ecosystem or risk consigning themselves to a bit part in the 21st century organisation, where HR may well come to stand for Hardly Relevant.

An internal technical capability is critical because if you can’t build real social sharing applications for your own people, you can’t begin to understand how and why it changes their behaviour. This capability cannot be outsourced. It requires deep understanding of the organisation’s pre-existing enterprise applications and how to imaginatively weave them to together either from scratch or by integrating them with ‘social inside’ platforms (for example, Cisco’s Quad – an enterprise social media platform). Of course partner with specialist agencies, but responsibility has to be taken for service design at a technical level to ensure compatibility, ease of integration with existing systems, and data analysis – the value of which cannot be over stated and certainly cannot be routinely shared with third parties. If an organisation insists upon subject matter experts for new HR and Finance systems, why shouldn’t it do the same for social media applications? The mandatory areas of in-house technical competencies are:

Social software development. Whilst it’s preferable to work with partners on software development, it’s equally important to have the capability to respond to internal needs for tools that are specific to the business. The development of these tools need developers co-located with subject matter experts such that short term anomalies and trends can be exploited ‘on the fly’. Without this, 21st century organisations cannot adapt and cope with the rate of change. Expertise in open source software engineering, social media, data security and integrity, application integration and infrastructure are a
minimum.

**User Experience Design (UXD).** There’s an interesting consensus emerging in HR and IT circles that current end user applications are not sufficiently productive and easy to use as the web, gaming and mobile applications the next generation of employees (so called generation Y) have grown up with. This restricts the organisation’s ability to attract and retain new talent who prefer to work in smaller companies that allow them to use these (cool) applications. Apple Mac and iPhone applications are releasing explosive creativity, so why this can’t be achieved inside the organisation? In-house UX Designers and Information Architects can dramatically reduce the cost of IT application support by adopting (and improving) the support models used by the big social media platforms.

**Change Management.** Execution is everything. Rigorous project management and agile software development practices are non-negotiable. Without professional, timely delivery of operationally robust applications, there is no credibility for the *Super Connector* which must be seen to ‘walk the walk’ as well as ‘talk the talk’.

**Data Analytics.** The value of data derived from customer and employee interactions, in terms of their behaviours and preferences provide the organisation with the ability to predict demand for new products, tools and services whilst at the same time, drastically reducing the risk of getting it wrong when they’re made a reality. Resources are needed to continuously analyse information ‘from the front’ and disseminate it throughout the organisation. This provides an essential positive feedback loop to the entire organisation that stimulates the changes in attitude and behaviour it seeks.

**Social competencies** refer to ‘soft skills’, emotional intelligence and the capability to create and sustain communities of practice and include;

**Communications.** The *Super Connector* must understand the organisation’s internal communications infrastructure and be able to leverage it, programmatically if necessary (for example Microsoft Exchange, intranet servers, Blackberry servers). This includes how people receive, transmit and organise their data through shared network drives and email folders and how the organisation delivers information to end users in set piece forums and meetings – business rhythms.

**Community Management & Facilitation.** Real value comes less from managing knowledge and more—a lot more—from creating and exchanging it. Etienne Wenger, the ‘father’ of the academic study of online communities “is an educational theorist and practitioner, best known for his more recent work in the field of communities of practice. Wenger holds that learning is an inherently social process and that it cannot be separated from the social context in which it happens” (source: Wikipedia). Community managers facilitate and accelerate professional and social exchange, and enable employees to establish a bond of common experiences and challenges, and build networks of relationships which are leveraged offline. Skills in creating, moderating and sustaining communities of practice internally and externally are vital to the overall success of the *Super Connector*.

**Networks & Connectors.** This includes a wide range of activities but at its core is responsible for finding connectors, influencers and agents of change across the organisation. A range of services should be provided from social network analysis (finding knowledge experts and influencers by mining email and telephone connections) to stimulating and hosting offline forums and events.

In summary;

The *Super Connector* is a network. A network with ‘clue’ with the ability to build social software applications. It’s not a single person, although it does have a leader, but it’s more about a group of people dedicated to delivering services that extract untold value from existing resources. In effect, ‘doing better with less’. But it needs the same level of investment as any other strategic shared service. In return, the *Super Connector* can bring about profound measurable organisational benefits in revenue, productivity and the cost base. So what’s the value proposition?
3 Super Connectors: The Value Proposition

All programmes of change need clearly defined goals, an end state that defines ‘what good looks like’ but the rationale for a Super Connector needs a business case in its own right. There may be several business goals but the two key absolute minimum goals that define the value proposition and make the case for a Super Connector are;

1. **Increasing the value of intangible assets.** Getting to a point where accountants and economists can agree how to accurately measure the value of good will and relationship capital. This can bring about a step change in the valuations of organisations regardless of type in an ethical, authentic, and transparent way.

2. **An on-demand network of resources, or ‘people on demand’.** Deriving a larger proportion of the workforce from reliable, freelance networks of portfolio workers who seek different models of work/life balance (eBay for work is coming soon!). For many organisations where huge numbers of retirees are walking away with thousands of years of tacit knowledge this is the only way to keep tapped into them by providing a platform on which their knowledge can be accessed in exchange for fractional models of work and pay.

4 The Value of Intangibles - Outbound Deliverables

If you really think about the network economy, it’s about a shift from the physical to virtual in terms of what is actually valuable. With Google it’s clicks, with Facebook and Twitter it’s number of active accounts and the value of the data they generate. Even bricks and mortar businesses recognise the value of online reputation and even pay specialist service providers to help them manage it. Customer communities, and their collective wisdom, are creating disproportionate value in product and service co-creation, in some cases taking a third of the cost out of research & development activities.

Revenue is being derived from digital assets and in particular software APIs that allow third parties to re-use...
and rebrand an organisation’s service to exhibit their own identity. This evolution from hard assets (machinery) to intangible assets (digital and relationship capital) changes the way an organisation interacts with its markets and there is enough evidence and research to suggest that one day they will become balance sheet items (or perhaps the new EBITDA?). The outbound activities of the Super Connector are by definition market facing and revenue generating and arguably carry the most risk if things go wrong. So why do so many organisations outsource the management of their customer conversations (and their personalities) to third party agencies?

Figure 3 - Outbound Deliverables

Doc Searls, one of the authors of the seminal Cluetrain Manifesto said recently;

“Think of markets as three overlapping circles: Transaction, Conversation and Relationship. Our financial system is Transaction run amok. Metastasized. Optimized at all costs. Impoverished in the Conversation department, and dismissive of Relationship entirely. We’ve been systematically eliminating Relationship for decades, excluding, devaluing and controlling human interaction wherever possible, to maximize efficiency and mechanization.”

We’ve all been touched by the global financial crisis and nowhere more is the impact of a transactional approach leading to systemic organisational failure exposed for all to see in the banking industry. In other industries (airlines, car), companies have failed to engage their stakeholders and customers and involve them in the value creation cycle. Ford spent $8bn on R&D in 2005 and made a loss of $17bn in 2006. The culture of ‘not invented here’, an inherent fear of their markets, and incentives that reward individual triumph ahead of collective effort, prevent the best ideas and practical solutions from bubbling up from anywhere in the ecosystem – at the cost of the very survival of the organisation.

One of the Cluetrain Manifesto statements says; we’ve got some ideas for you too: some new tools we need, some better service. Stuff we’d be willing to pay for. Got a minute? What happens when a brand diverts a small fraction of its marketing budget to fund a tool like Twitter or Friendfeed? Would it need to spend millions on internet advertising ever again?
Brands just need to go ‘out there’ and solve problems for people and make them strong and connected. For example, banks should match customers with second homes abroad to other customers who they know can afford to rent them and make the transaction easy for both parties. Drinks companies like Red Bull who target the very demographic that is most sensitive to unemployment should be diverting some of their marketing budget to help them back to work, and TV companies should be asking their audiences to generate new formats (for programmes) – what if they could come up with ideas as successful as Big Brother, every month? There is demand for dozens of web tools and mobile apps to be invented to make people’s lives easier that cost a fraction of the marketing budget. Consumers don’t need to be persuaded to consume, they just need the task of consuming to be made easier for them.

In Britain, 7 million people are economically active between 6pm and 9am (the next day) and rising. Who’s at the office at this time to engage these customers? By being in a constant dialogue with their markets brands will find their next best selling product, discover what their customers actually want and eventually become part of their cycle of need in an open, authentic way. Whether you like it or not the reality is that a social web is being spun.

One person (Chief Listening Officer) cannot sustain, marshal and manage conversations and initiatives on this scale. Multi-disciplinary and multi-agency collaboration is the only way with the Super Connector orchestrating the activities and providing the tools and services that enable and measure the value of intangible assets.

5 People On Demand - Inbound Deliverables

Statistics on global labour markets in recent years have been truly spectacular and there’s little doubt massive upheaval in the very nature, mode and pattern of work is taking place, setting up what observers increasingly describe as a Perfect Labour Storm. In his book, The World is Flat, Thomas Freidman reveals the impact of 1.5 billion people added to the global labour pool in the last 20 years and recent US research (cf Prof Alan Binder) estimates 30-40 million ‘high end’ white collar jobs could be lost within the next generation. There are estimates of 60 million PhD students in Asia by 2015, 31% of UK workforce retiring in the next 5 years, and in the US one-fifth of the country’s large, established companies will lose 40 percent or more of their top level talent in the next five years.

In Japan, 30% of the adult work force is made up of temporary workers. Twenty years ago full, lifetime employment was a birth right, a given for everyone, but a decade of flat economic growth, zero percent interest rates (interestingly an economic crisis also triggered by cataclysmic falls in the value of real estate and hidden toxic corporate debt), low birth rates and increased longevity have created a perfect labour storm where current research predicts that only 1 in 2 (yes, one in two) people will be employed in Japan in the year 2050 if current trends and policies prevail. Think this can’t happen over here? Think again.

The unit of work is no longer a whole job and the traditional career, as an institution, is in unavoidable decline. Unfortunately public policy is still based on the assumption that careers are the most desirable form of employment, and that they can be offered to more and more of us.

The Super Connector prepares the organisation for an unpredictable future of work at a time when organisational adaptability and flexibility have become more important to success than ‘line of business’ performance and efficiency. The inbound deliverables are geared towards creating peer-to-peer production platforms (internally & externally), transforming the intranet into a conversational, knowledge exchange spaces and working with HR to create completely new flexible working arrangements that work legally, ethically and financially.
The ability to shrink and grow the labour pool according to demand, in near real time is the only way this can be achieved. It’s a journey, but as Peter Drucker said in his Business 2.0 essays, “The Corporation as we know it, now 120 years old is not likely to survive the next 25 years. Legally and financially yes, but not structurally and economically”.

The communications industry is already making the transition and several London based creative agencies (Law Firm Group, Group Partners, Erasmus, London Advertising) have adopted ‘on demand’, network centric labour models, passing on huge savings to their clients. This operating model is best described by one of the foremost experts on the future of work, Thomas Malone.

"Imagine organizations in which most workers aren’t employees at all, but electronically connected freelancers living wherever they want to. And imagine that all this freedom in business lets people get more of whatever they really want in life – money, interesting work, the chance to help others, or time with their families.”
6 The Big Picture

Organisations have an opportunity to introduce services that enable connectivity, higher productivity and organisational behaviour change at scale. It’s a journey and only starts with the hiring of a network leader but without a supporting cast of engineers, analysts and community managers this leader has little chance of achieving any strategic organisational goals.

Ultimately, the end game is to create an environment in which there is a continuous, fair exchange of value between all participants as opposed to the prevailing culture of “I win. You lose.” When the Web 2.0 paradigm emerged its core premise was that the most successful companies of the future will be those that can build the best ‘architectures of participation’ and with them, the capacity to create value far in excess of that produced by the prevailing command and control model.

In conclusion;

The Super Connector is a network. A network with ‘clue’ and the ability to execute. It’s not a single person, although it does have a leader, but instead it’s a group of people dedicated to delivering services that extract untold value from existing resources. The science of networks has proven over and over again that it doesn’t take many people to bring about transformative change and viral take up of new ideas and practices that would previously have seemed unimaginable.

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It doesn’t take many people to change an organisation. “Never doubt that a small group of thoughtful, committed citizens can change the world. Indeed, it is the only thing that ever has”. Margaret Mead
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Leon is a social media and web 2.0 practitioner and has managed a number of successful social software implementations with clients including Carphone Warehouse, Virgin Media, British Airways, Microsoft & BT. Co-designed with Ecademy one of only a few economically viable social network subscription based business models. Previously spent 15 years designing and delivering IT transformation programmes in financial services, telecoms, retail and travel, for blue chip companies, counting Union Bank of Switzerland, Barclays Capital, Andersen Consulting, Airtours, Opodo, BT, Tesco, Argos and Aviva.

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