

FAST*forward '07*

Serious Business: Web 2.0 Goes Corporate

How Web 2.0 tools and trends are breaking out of the IT industry

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The EIU survey and research

Survey

- 406 senior executives
- 41% C-suite or board members
- Average company size \$2.5bn (revenues)
- Range of industries (financial and professional services, life sciences, IT, media, telecom)
- 39% North America, 26% Europe, 26% Asia/Pacific

Interviews

- In-depth interviews with senior executives in advertising, financial services, telecom and other industries

Research findings

- Corporate executives know about Web 2.0 but there are gaps in their knowledge.
- Plenty of challenges exist for businesses that want to get up and running with Web 2.0.
- Still, 79% see the collaborative web as a way to boost revenues and cut costs, something 30% say will impact **all** areas of their business.
- Large, high-profile companies are using Web 2.0 tools and methods in a variety of ways.
- Web 2.0 success can be tricky.

How well do executives understand Web 2.0?

- More than half recognize a trio of Web 2.0 tools: consumer-generated content, collaboration and social networking
- But only 39% recognize tagging as a way to leverage the wisdom of crowds
- Many miss the boat entirely: less than a third identify applications that harness network effects as Web 2.0 applications

Some executives know more than others

More knowledgeable

- Board, C-suite (except CFO), SVPs
- IT, sales/marketing and strategy functions
- IT, telecom, media, entertainment, publishing
- United States, Germany

Less knowledgeable

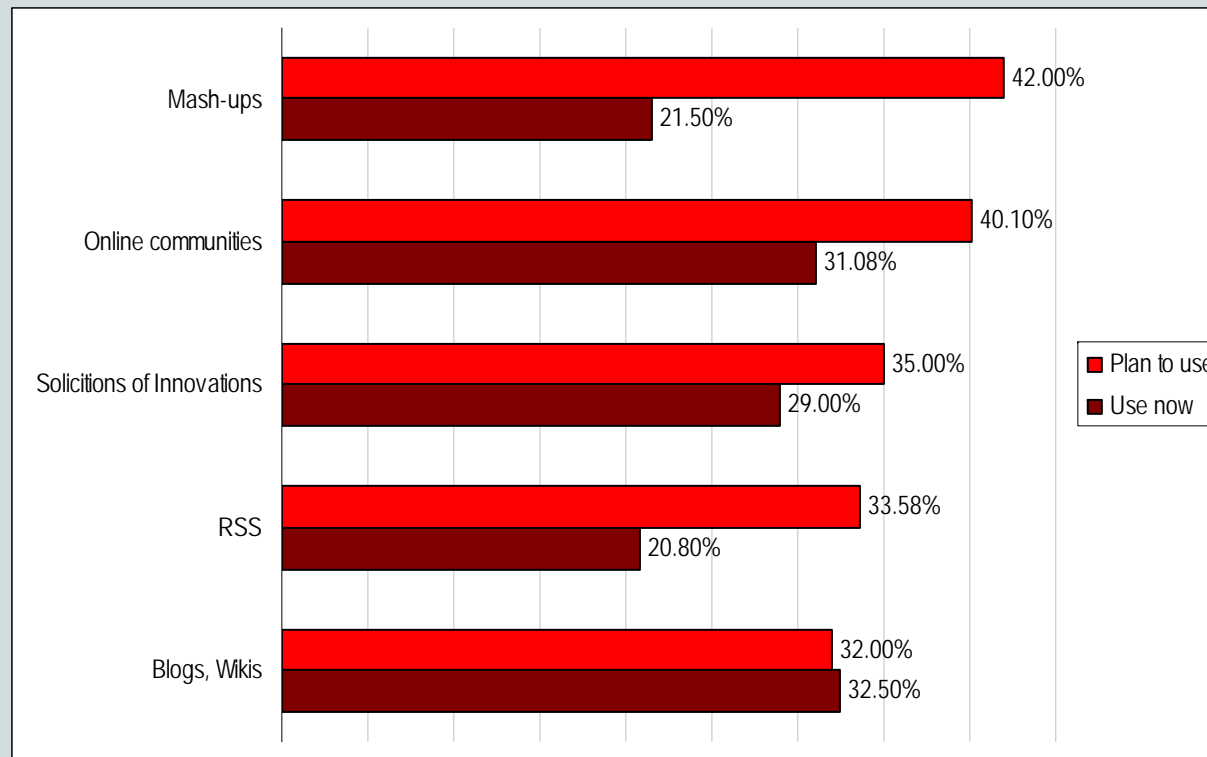
- Middle management
- Finance, HR, operations, procurement/supply chain, legal
- Manufacturing, energy, chemicals, government, retailing
- Most emerging markets

What are the challenges to implementing Web 2.0?

- Perceived lack of support from the top
- CFOs aren't Web 2.0-friendly
- IT departments are under-staffed and under-trained for Web 2.0 projects
- Getting lost in the tools and forgetting the network

How Early Adopters Are Using Web 2.0

Does your company currently use web technologies or processes to increase sharing and collaboration, or plan to use them within two years?



Business effects of online technologies

The use of the web as a platform for sharing and collaboration will have the biggest impact on:

- My company's business model
- The way employees interact with each other and the company
- The way my company interacts with customers

Search technology will have the biggest impact on:

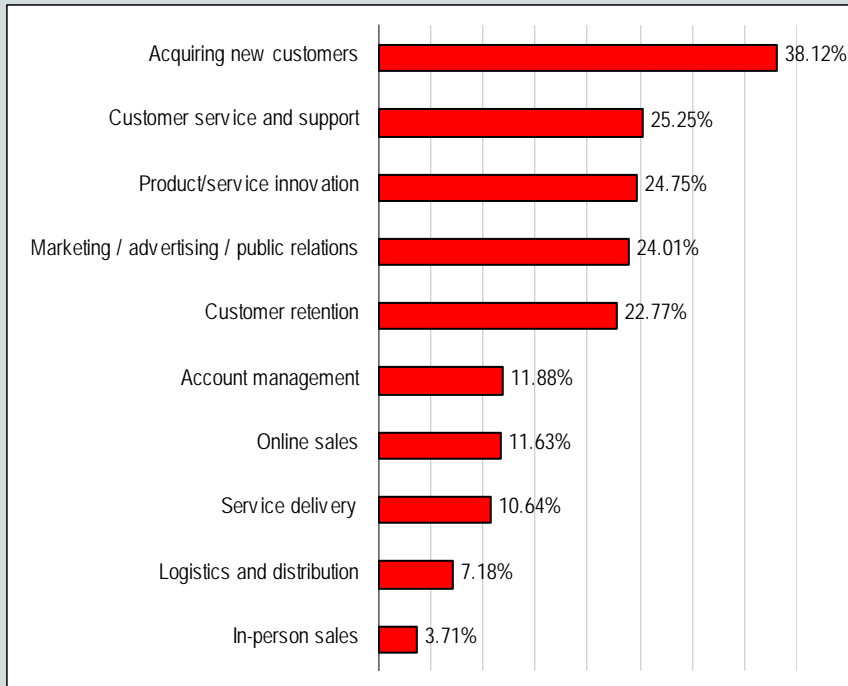
- The information and opinions available about my company's products
- The power that customers have relative to the company

The use of the web to turn customers into partners will have the biggest impact on:

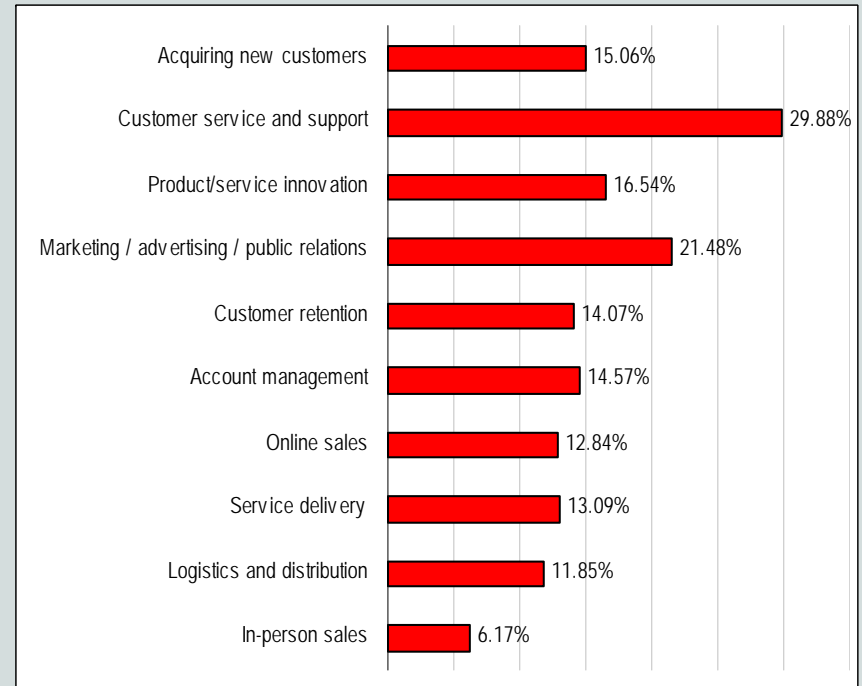
- The way my company is viewed by customers
 - The way our customers interact with each other
-

How will Web 2.0 impact revenues and margins?

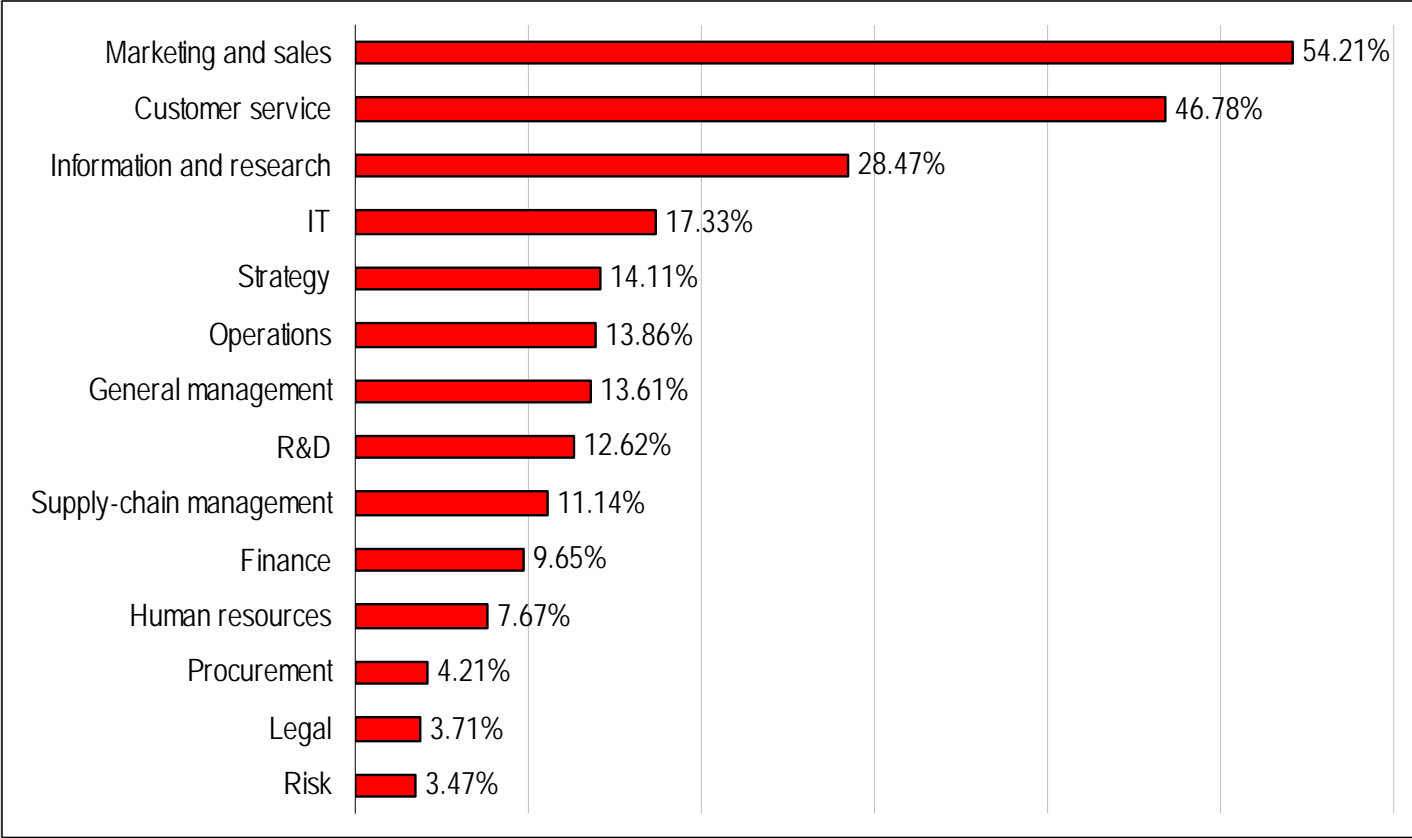
Increasing Revenues



Reducing Costs



Which functions in your company do you think will make the greatest use of Web 2.0?



Up close: Web 2.0 Inside and Outside

Community building - Procter & Gamble's Capessa community site for women

Blogs as a means for branding and customer feedback at Global Crossing

Basecamp-like tools internally at JWT used to tap sector expertise

Wikis at Citigroup to help with terminology-heavy or procedure-laden projects

How to succeed at Web 2.0

- Make a business case
- Bridge the generation gap
- Borrow what you can't build
- Avoid the hype
- If you don't think Web 2.0 applies to you, think again

Conclusions

- Web 2.0 is a natural fit for some industries
- But those already using Web 2.0 at big companies say that it can benefit all big companies
- Citigroup CIO: Web 2.0 is not “bleeding edge” anymore at big companies – it’s “leading edge”
- Now it’s your turn