



Information Architected Inc

The 2.0  
Adoption  
Council

# The State of Enterprise 2.0 Adoption Q4 2009

Maturity, Scale, Drivers, Ownership, Satisfaction

Underwritten in part by

**OPEN TEXT**

The Content Experts™

**TABLE OF CONTENTS**

**An Introduction To The 2.0 Adoption Council .....2**

**The State Of Enterprise 2.0 Adoption .....3**

**About The Research.....3**

**Section 1. Demographics Provide Evidence Of The Value Of This Research.....4**

    Figure 1: How Many Employees Are In Your Organization?.....4

    Figure 2: What Vertical Industry Do You Work In? .....5

**Section 2: Enterprise 2.0 Maturity In The Market And In The Enterprise .....6**

    Figure 3: In Your Opinion, Where is the Enterprise 2.0 Market in its Market Maturity Life-cycle?.....6

**Definitions Of The Stages Of The Chasm .....7**

    Figure 4: How Would You Characterize the State of Enterprise 2.0 in Your Organization? .....7

    Figure 5: Approximately How Many People Are Active Users of Your Current Enterprise 2.0 Applications? .....8

    Figure 6:..Approximately How Many People Will The Enterprise 2.0 Applications Engage At Full Deployment/  
    Adoption?.....9

**Section 3: Sponsorship, Ownership And Business Drivers .....10**

    Figure 7: Sponsorship/Ownership of Enterprise 2.0 Project.....10

    Figure 8: What Are The Business Drivers Behind Your Enterprise 2.0 Initiative? .....11

    Figure 9:..Which of the Following is the Primary Business Driver Behind Your Enterprise 2.0 Initiative? .....12

    Figure 10: Have You Been Able to Establish an ROI to Date? .....13

**Section 4: Dollars Spent And Satisfaction Achieved .....14**

    Figure 11: How Satisfied are you with Your Enterprise 2.0 Initiative to date?.....14

    Figure 12: What Is the Enterprise 2.0 budget appropriated for your entire Initiative?.....15

    Figure 13: Enterprise 2.0 Budget Allocation.....16

    Figure 14: Were budgeted amounts actual experience or planned expenses? .....17

**Section 5: Going Beyond This Whitepaper .....18**

**The Upcoming Report.....18**

**The 2.0 Adoption Prediction Market.....19**

**About The Authors .....20**

# An Introduction to The 2.0 Adoption Council

The 2.0 Adoption Council is a peer-based, information-sharing group focused on the latest thinking, best practices, case studies, and helpful tips associated with executing socio-collaborative strategies and projects in the large enterprise. The Council is exclusively limited to large organizations currently engaged in delivering a 2.0 initiative.

The Council offers members a unique advantage: direct access to a network of peers where learning can occur directly in real-time. It is the first organization of its kind-- built from the ground up leveraging the flexibility and universal access offered by the new generation of Web 2.0 platforms. The members of the Council are themselves leading-edge users and evangelists of Enterprise 2.0 technology within their organizations.

# The State of Enterprise 2.0 Adoption

## ABOUT THE RESEARCH

**By Carl Frappaolo and Dan Keldsen of Information Architected, Inc.,  
and Susan Scrupski of SoCo Partners**

This paper and the research behind it are based on a web-based survey conducted during the latter part of October 2009. The survey was open exclusively to members of The 2.0 Adoption Council, described on the prior page.

Of the then 100 members, 77 completed the survey. As explained in more detail in the Demographics section that follows, despite the relatively small number of responses, the research findings represent a market milestone and represent not the opinion of the general masses, but the fact-based experiences of the market's early adopters--the true practitioners of Enterprise 2.0.

This study focused on the current realities pertaining to the adoption of Enterprise 2.0 and associated budgets, challenges, business drivers, teams and leadership. The survey consisted of over 20 questions. This whitepaper does not cover the responses to all of the questions asked of survey respondents, but rather gives a high-level view into a select sub-group of questions/issues. A complete listing of all questions asked can be found in section 5 of this paper. A subsequent report will be issued that addresses all questions and provides greater analysis of the findings.

## SECTION 1. DEMOGRAPHICS PROVIDE EVIDENCE OF THE VALUE OF THIS RESEARCH

As previously mentioned, the value of this research predominately lies in the profile of the individuals that partook in the survey. Every respondent is a member of The 2.0 Adoption Council (See the “Introduction to the 2.0 Adoption Council” section of this report for more detail.) As such they are the leading practitioners (not academicians or theorists) of Enterprise 2.0 today. As evidenced in the survey population demographics provided below, the opinions and results reported here are solidly grounded in real-world experience in Enterprise 2.0 implementations, within large organizations, affecting thousands of users to the cost of thousands to millions of dollars in budget as well as countless hours of management and planning.

Council members work in large enterprises and organizations. Among those that participated in the survey, for example, 76% represent organizations of 10,000 or more employees. The experiences of these individuals are not that of small start-ups experimenting with new technologies in a boot-strapping effort, but the embracing of technology by major, established global enterprises.

(Note: an “enterprise” in these cases may be commercial, public, private, non-profit or government, military or intelligence-focused)

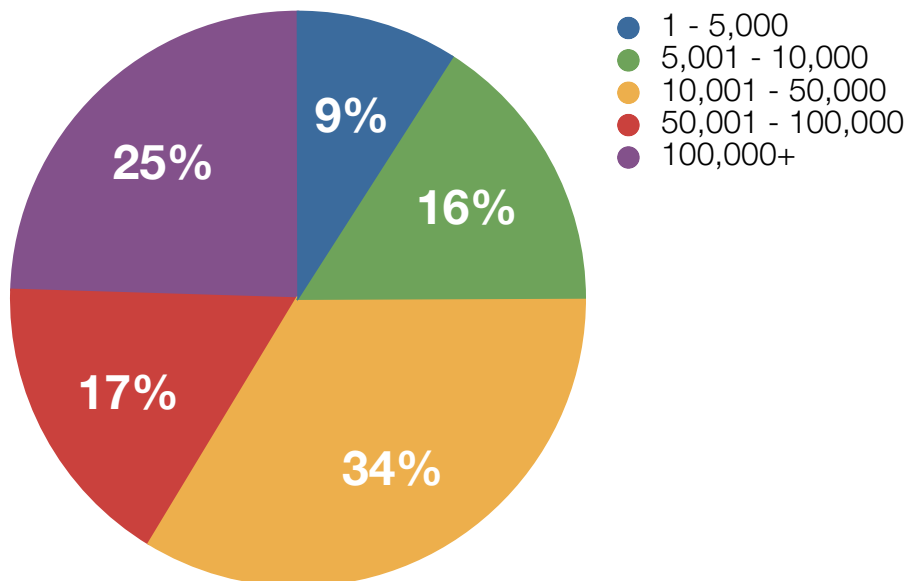


Figure 1: How Many Employees Are In Your Organization?

The survey population also provided a balanced view into Enterprise 2.0 adoption reality from the perspective of associated industry affiliation. Respondents hail from across industries, with many of the organizations representing conglomerates or holding companies with many sub-industries addressed within the overall organization, hence the relatively high percentage of “Other” responses.

Although not to an overwhelming or skewing degree, Hi-tech is clearly the most represented industry within the survey population. As discussed in more detail later in this paper, the Enterprise 2.0 market is still in the early stages of adoption and as such it is not surprising to see a concentration of hi-tech organizations. As with most technology advances, hi-tech firms are logical candidates to adopt new tools first due to the tech savvy skill base as well as the early exposure technology employees have to productivity enhancing tools. Again though, it must be noted that the overall mix of industries is a healthy one.

Interestingly, manufacturing, an industry that is not particularly associated with early adoption of worker-oriented (rather than management or operations) enterprise solutions, is within the top 4 responses to this research. In the current state of the US Economy in particular, and global economy overall, it is heartening to see that a drive for capabilities to improve collaboration, has taken hold in an industry which is notoriously difficult to change rapidly. In fact, Members from our manufacturing members express the most frustration with introducing change as their organizations are the most vested in industrial age economics and operations. Indeed, industries with a predominant concentration of knowledge-workers are quicker to adopt these tools.

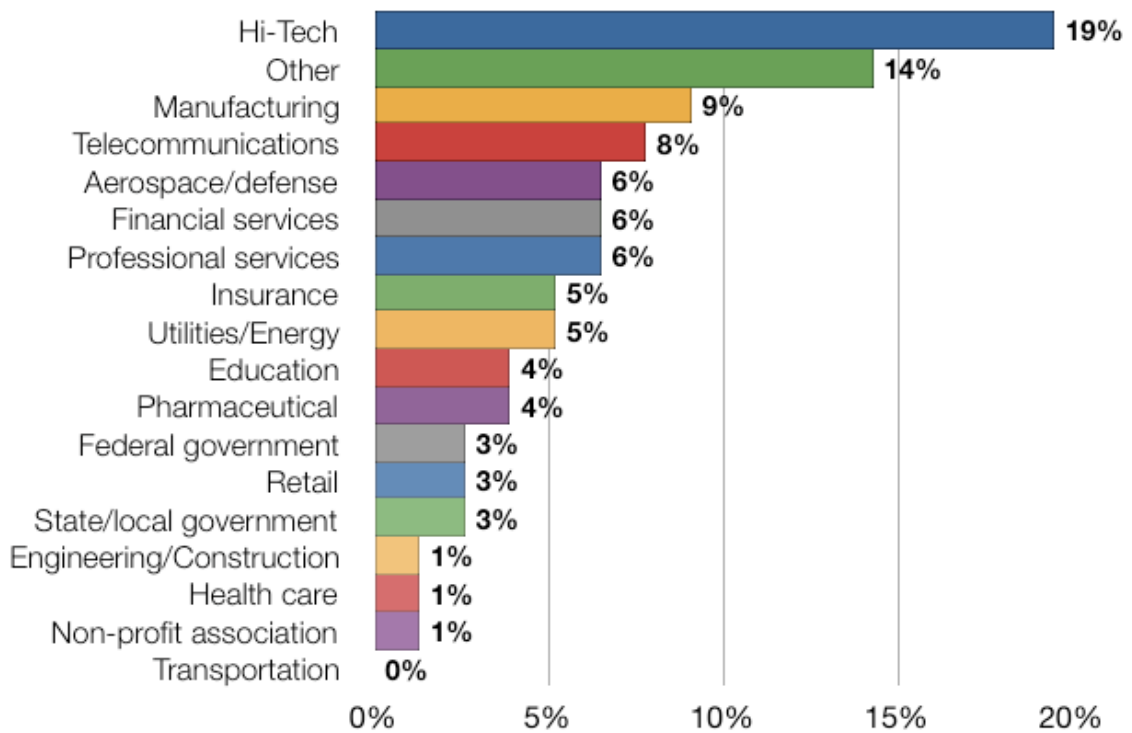


Figure 2: What Vertical Industry Do You Work In?

**SECTION 2: ENTERPRISE 2.0 MATURITY IN THE MARKET AND IN THE ENTERPRISE**

One approach to assess a market’s maturity is to test the perception of the market as a whole against the maturity life-cycle popularized in Geoffrey Moore’s “Crossing the Chasm” (Original publication 1991), which has been widely used as a strategy for technology companies wishing to move their products from the very early adopters of any new technology (the “Innovators”) into the “Mainstream” (or more commonly, the “consumer” world of mass adoption).

With the 2.0 Adoption Council members representing the largest known deployments for Enterprise 2.0, we were interested in their perspective as to the state of the maturity life-cycle, using the technology adoption model.

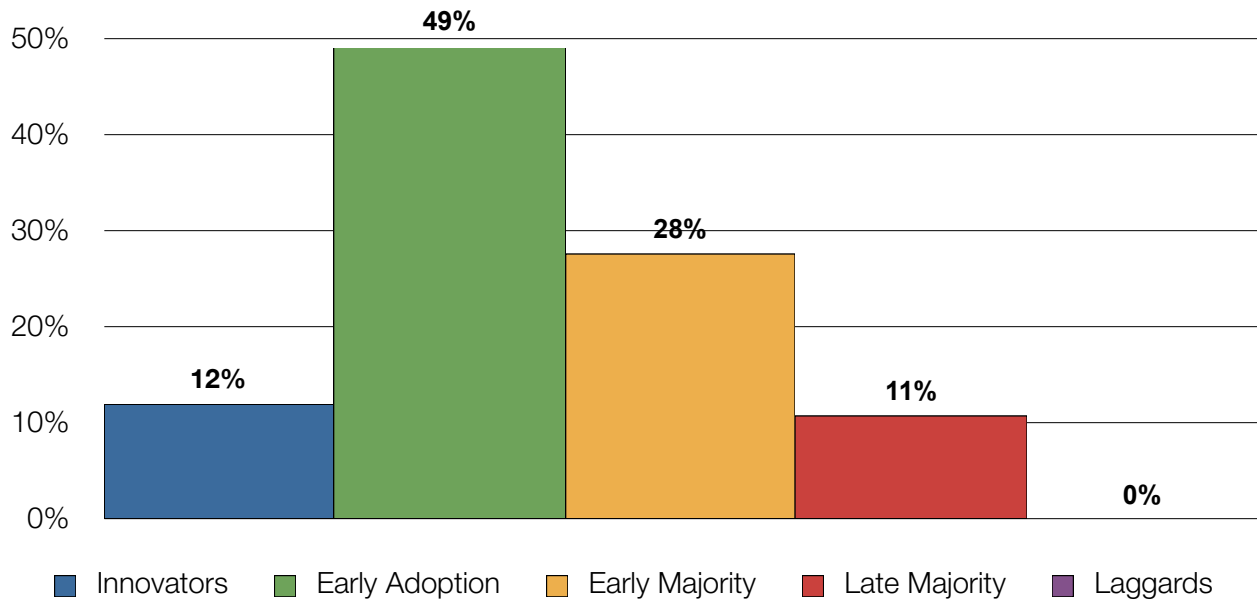


Figure 3: In Your Opinion, Where Is The Enterprise 2.0 Market In Its Market Maturity Life-cycle?

### Definitions of the Stages of the Chasm

- **Innovators:** Enthusiasts are inventing new approaches with technology even before there is real or perceived value
- **Early Adopters:** Users embrace technology before it is mainstream
- **Early Majority:** Pragmatics that are first group of mainstream users to obtain perceived benefits
- **Late Majority:** Pragmatics that use the technology only when there is a real and absolute value
- **Laggards:** Skeptics that only use the technology after the market has predominately adopted it

More than half of the survey respondents (61%) believe the market is still in the early adoption or innovator stage. Another 28% expressed a belief that the market is in early majority. It is reasonable to assume that these opinions are somewhat skewed by the maturity of deployments in the respondents respective organizations (see below for more detail). In other words, given the maturity of deployment amongst survey respondents, it is reasonable to assume that their perception of market adoption is a bit aggressive, and that in reality the Enterprise 2.0 market overall is still not mature.

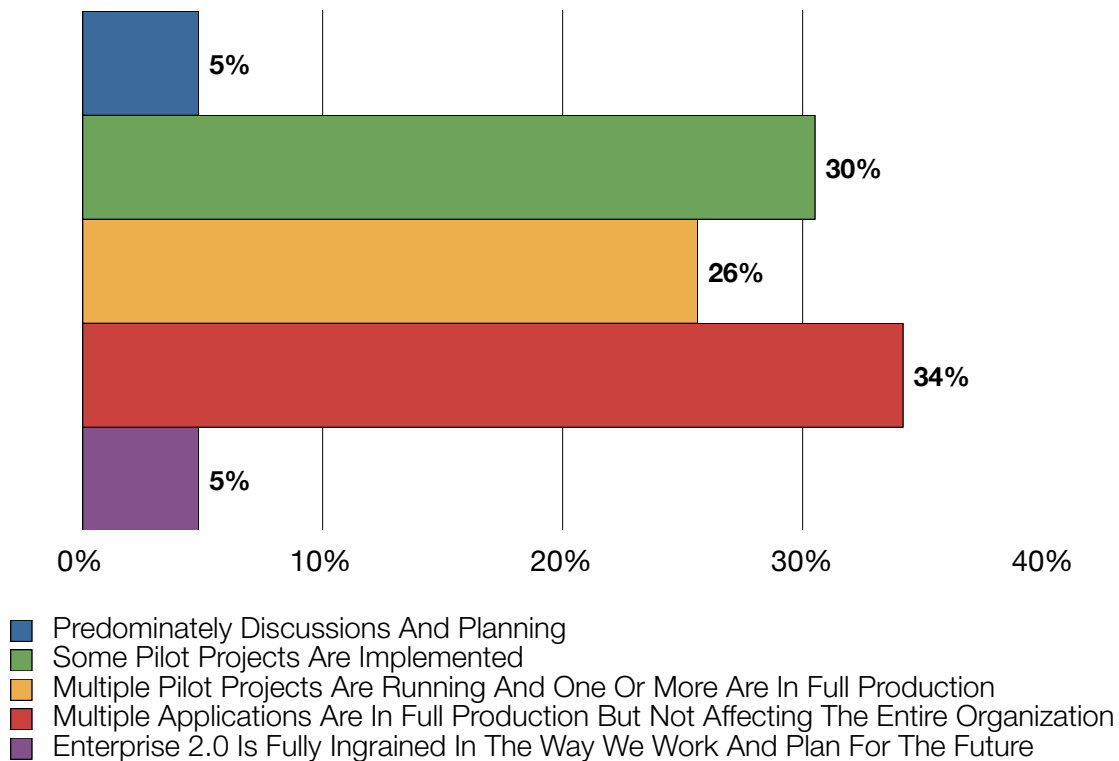


Figure 4: How Would You Characterize The State Of Enterprise 2.0 In Your Organization?

When asked to characterize their own individual state of adoption, the responding council members clearly indicate involvement with mature implementations, with 34% having multiple full production applications and another 26% beyond the pilot stage. This is further evidence not only of the maturity of market adoption, but also of the value and validity of the opinions and experiences of council members. The great majority, 65% are well beyond discussion, experimentation and early piloting and are living the reality of E2.0 adoption in their respective organizations.

In fact, given the relatively nascent age of the E2.0 market, it is somewhat surprising to see 5% utilizing the technology not only enterprise-wide but within a culture in which it is fully ingrained into the way they work. Given the level of satisfaction experienced (See Section 4 of this paper for more detail), the experiences of survey respondents are proof of real-world leveraging of E2.0 for the betterment of the organization.

In fact, the level of adoption as measured by the number of affected users lends further credence to the experience set of survey respondents. Their respective organizations are not just large enterprises in which production-level deployment has occurred. Deployments have not been contained within small workgroups, but have been scaled to affect, in most cases (52%), thousands of users.

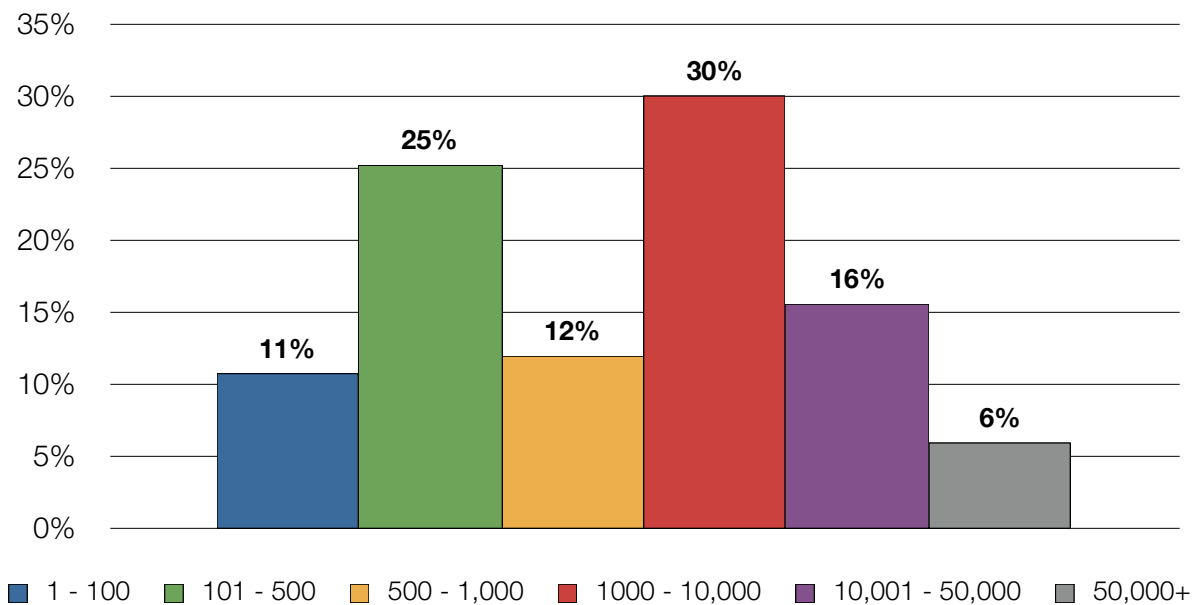


Figure 5: Approximately How Many People Are Active Users Of Your Current Enterprise 2.0 Applications?

We also inquired into the anticipated scale of Enterprise 2.0 once the entire collection of targeted communities is engaged. Current implementations of >1,000 users is planned to grow from 52% of respondents from the previous question, to 87% of survey respondents, a significant growth in the scale of these projects, and a healthy indicator of the seriousness with which these organizations are taking these projects and the anticipated business outcome. Indeed, 59% are targeting tens of thousands of users, with 17% targeting hundreds of thousands of users which is truly enterprise-wide adoption by large enterprises.

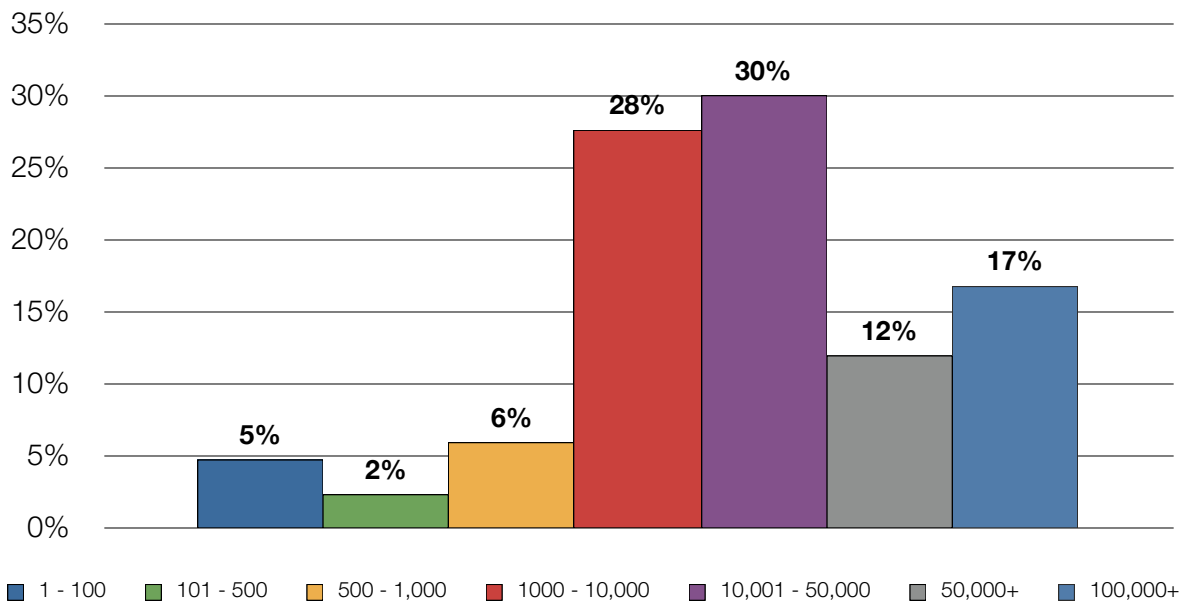


Figure 6: Approximately How Many People Will The Enterprise 2.0 Applications Engage At Full Deployment/Adoption?

**SECTION 3: SPONSORSHIP, OWNERSHIP AND BUSINESS DRIVERS**

Early discussions of Enterprise 2.0 were primarily (and in some circles, remain) focused on the “power to the people” or “Bottom-Up” groundswell adoption. But our survey respondents indicate a very different reality. only 28 % are associated with Enterprise 2.0 initiatives that were strictly user-driven born and owned, devoid of any level of management. That said, the relatively even distribution of survey responses to the issue of ownership and sponsorship indicates that no single best approach or best practice exists. Success is being achieved in each approach. It is again worth noting, however, that in 73% of the cases, some form of management has been exercised, indicating a partial best-practice.

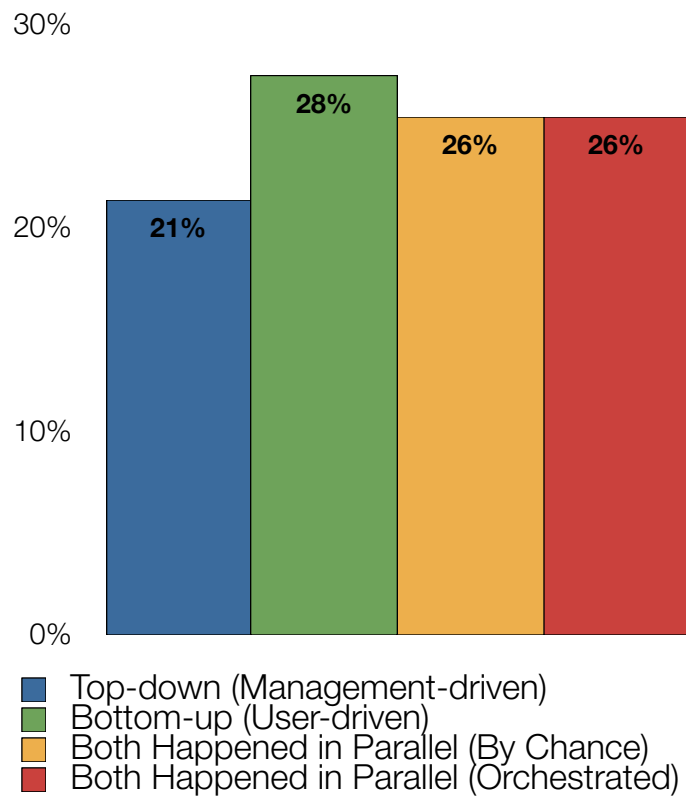


Figure 7: Sponsorship/Ownership Of Enterprise 2.0 Project

Similarly, survey respondents indicate that benefits targeted by their Enterprise 2.0 initiatives are many and varied. Respondents were asked to choose all business drivers targeted by their initiatives. Every benefit received at least nearly 20% recognition.

The promise of Enterprise 2.0 seems varied, situational and personal. That said, among these benefits some clearly emerged as “most popular,” each garnering a nod from more than 75% of the survey respondents. These are: Connecting Colleagues Across Teams and Geographies (92%), Enabling Access to Subject Experts (88%), Increasing Productivity (81%), Capturing & Retaining Institutional Knowledge (78%) and Fostering Innovation (78%).

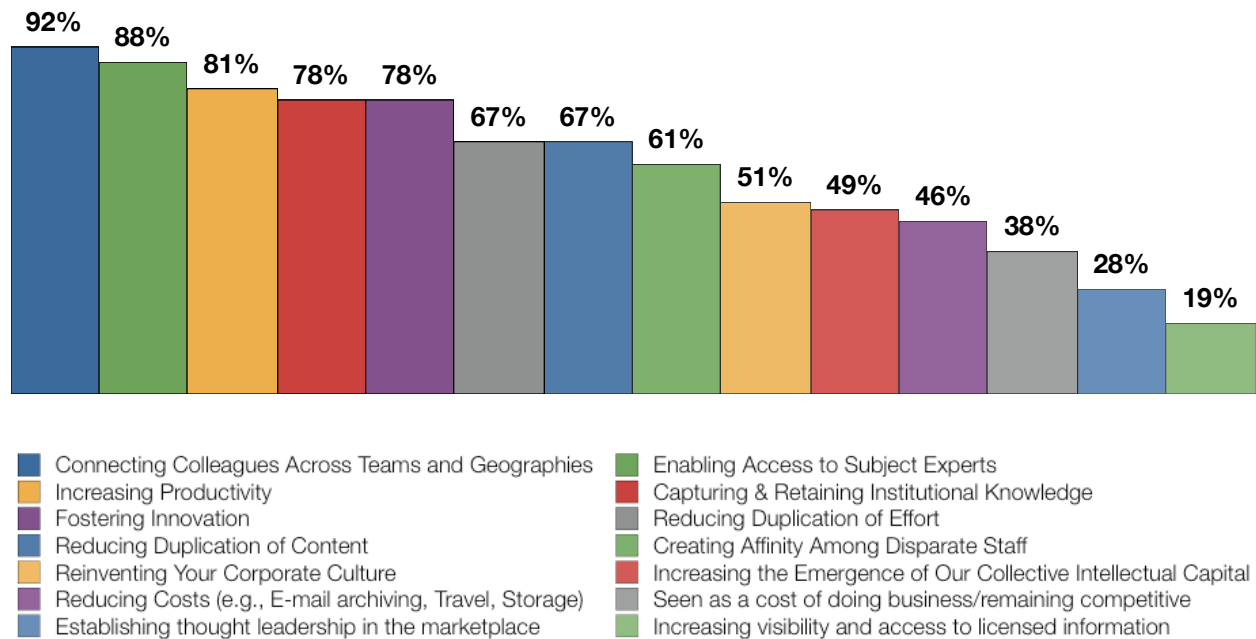


Figure 8: What Are The Business Drivers Behind Your Enterprise 2.0 Initiative?

It is interesting to note that amongst these top 5 benefits 4 focus on knowledge management-related benefits. This is likely why ROI for many organizations is difficult to prove in hard dollars (See the discussion on ROI later in this section of this report for more detail).

Of course, increased productivity potentially can be associated with hard dollar savings, which may account for why it was identified as the single most important benefit.

When asked to identify a single *primary* business driver from amongst all drivers they identified with, respondents ranked increasing productivity highest, although worth noting, not by a clear majority (23%).

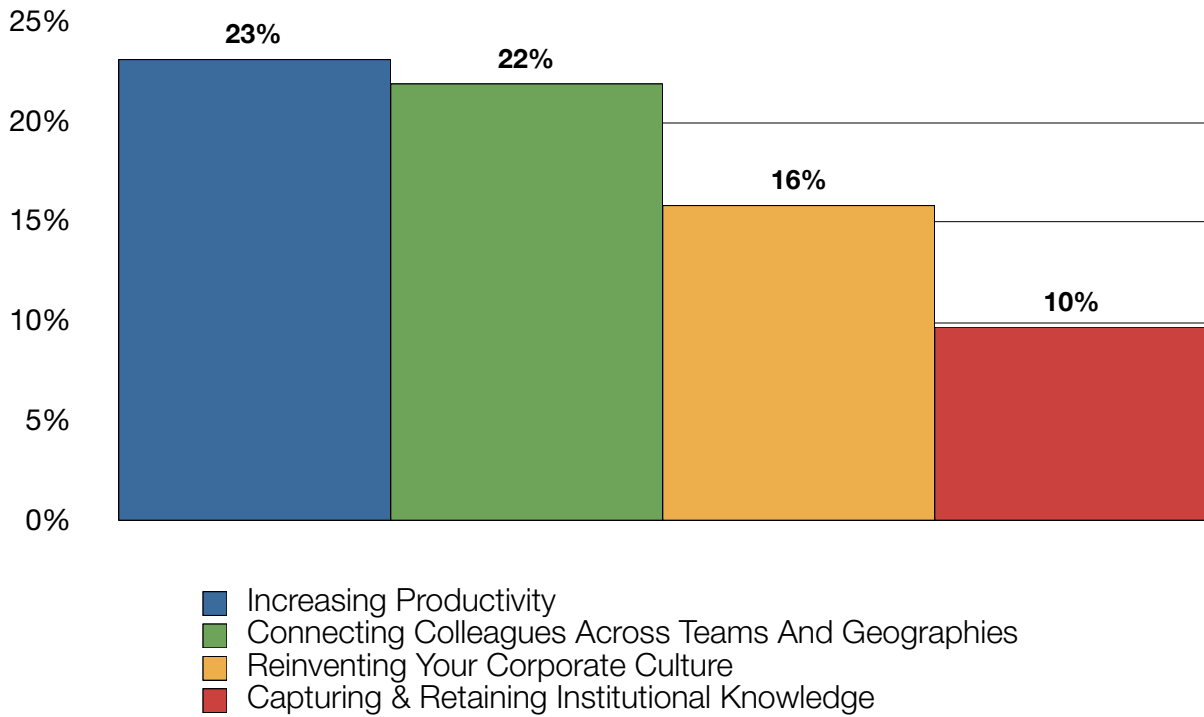
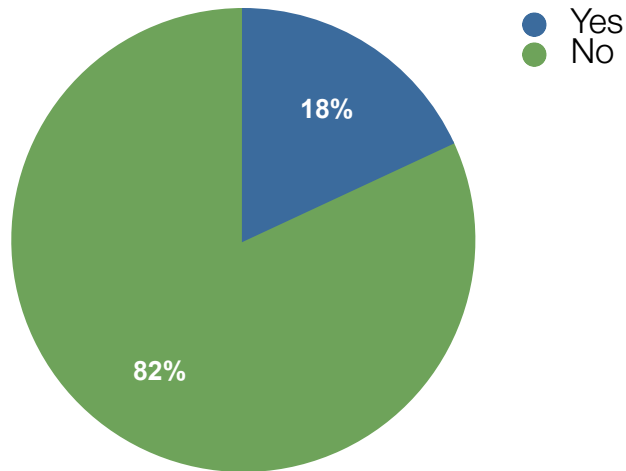


Figure 9: Which Of The Following Is The Primary Business Driver Behind Your Enterprise 2.0 Initiative?

Based on the response to overall benefits, it is inferred that most benefits associated with Enterprise 2.0 are rooted in knowledge management-- a practice characterized by difficulty in traditional hard dollar ROI. It is reasonable to assume that even in cases where increased productivity is targeted as a primary driver, the type of productivity targeted is that associated with the knowledge worker. Faster decision-making may hold great business value, but not necessarily of the type that is easily translated into saved dollars - but perhaps more in increased competitiveness. This is likely why the great majority of the respondents (82%) have not established an ROI to date.



---

Figure 10: Have You Been Able To Establish An ROI To Date?

---

Despite this fact, however, the majority (82%) of respondents indicated that their organizations are satisfied with the Enterprise 2.0 initiative to date. These are organizations with strategy and leadership that have a vision, which when realized, is viewed positively despite lack of a hard dollar ROI. (See Section 4 of this paper for more detail.)

**SECTION 4: DOLLARS SPENT AND SATISFACTION ACHIEVED**

The Enterprise 2.0 projects managed by survey respondents are overwhelmingly deemed to be a success. When asked “How satisfied are you with your Enterprise 2.0 initiative to date?” (respondents were instructed to factor in items such as cost vs. benefit, the speed of the deployment, and the realization of business objectives), 82% report being Very Satisfied to Somewhat Satisfied. Anecdotally, compared with “traditional” enterprise systems, such as Enterprise Resource Planning (ERP), Customer Relationship Management (CRM) or a closer connection, Electronic Content Management (ECM), this is an uncharacteristically high level of satisfaction for “enterprise software.”

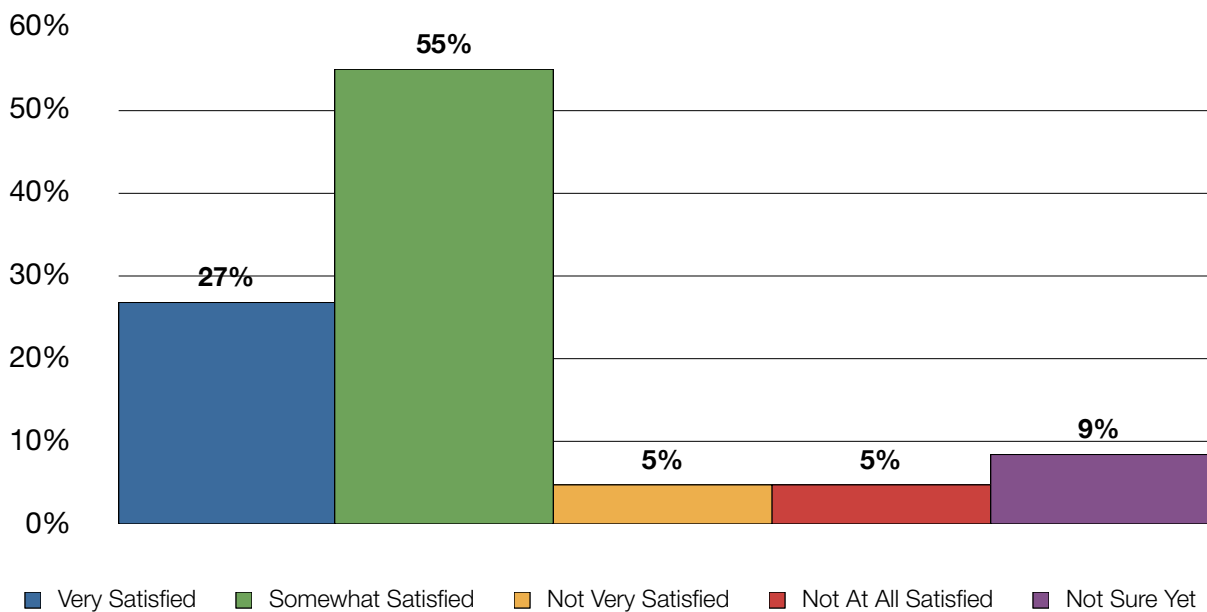


Figure 11: How Satisfied Are You With Your Enterprise 2.0 Initiative To Date?

This is particularly interesting, given the fact that 82% of respondents also stated that they have not been able to establish a hard-dollar ROI, as discussed earlier. Again, achievement of increased collaboration capturing of corporate knowledge, fostering innovation and even increased (knowledge worker) productivity may not result in a hard dollar ROI, but is nonetheless effectively “satisfying,” especially in the emerging knowledge/information-based economy.

These levels of satisfaction achieved are not to be taken lightly when viewed in the context of associated budgets. Again, survey respondents, as members of the 2.0 Adoption Council are involved with real-world, production-level deployments, backed by impressive budgets.

When asked to identify their Enterprise 2.0 budgets, responses were across the board, with the heaviest single concentration (41%) at less than a half a million dollars, but the graph depicting associated budgets can be somewhat misleading. When you combine the percentages of organizations with budgets of \$1 Million or more, they amass to 36% of the respondents. Additionally it is highly likely that the 64% who have current budgets in the less than \$1 million range are mainly within the 48% who indicated they involved less than a thousand users, and the 35% who are still not beyond an early pilot stage.

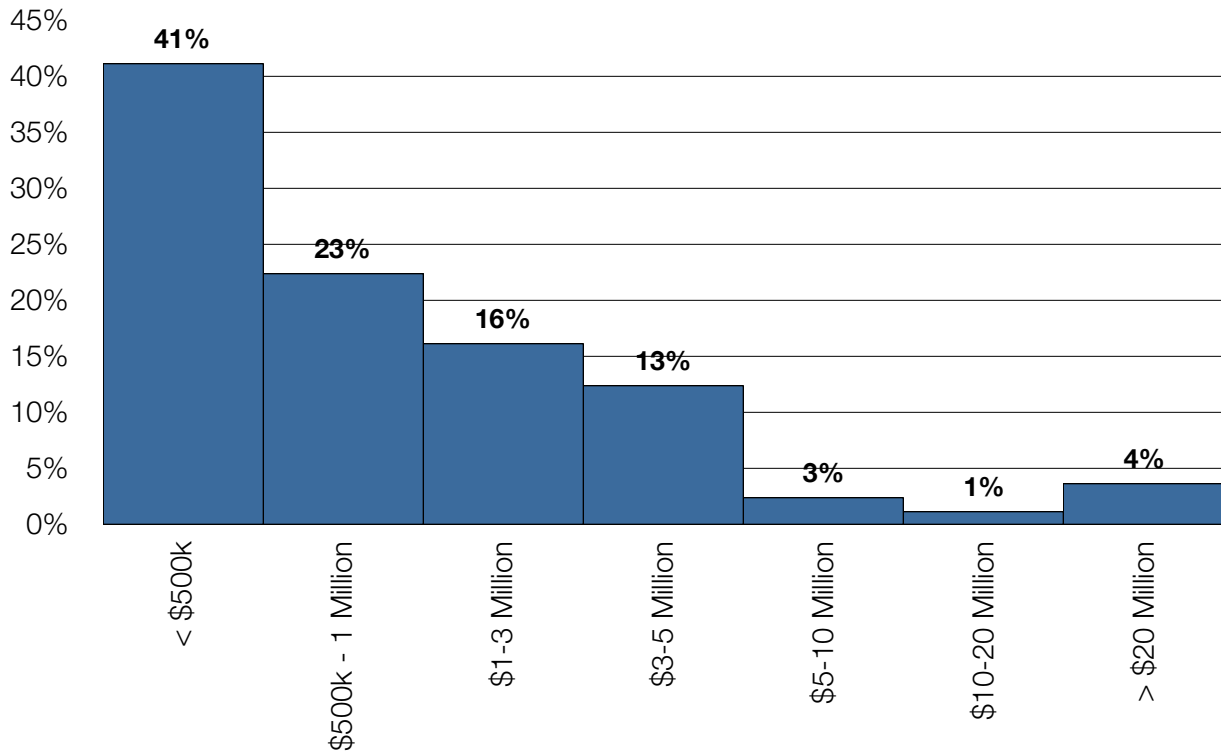


Figure 12: What Is The Enterprise 2.0 Budget Appropriated For Your Entire Initiative?

Regardless of how this graph is interpreted, the fact remains that successful Enterprise 2.0 projects, among large enterprises, involving thousands of users, require mid-six figure to seven-figure investments, Factoring for the scale of large organizations, even at \$100/user/year, for a 5,000-person organization for software and basic services alone, would be \$500,000. While this is far from “free,” or trivial, it is by no means expensive in the face of other historical enterprise systems.

To fully appreciate the reality of current budgets we also asked respondents to break down their budgets by components. As seen in the graph below, the largest components of spend are software itself, not surprising, and the operational staff to install and maintain platforms. Relatively little budget is allocated to Software-as-a-Service

(SaaS) or other “hosted/rented” solution models, with most organizations opting to use on-premise, owned and operated licensing models. Of particular note is the low percentage of budget associated with user-related issues such as ongoing community management (5%), and training (4%), as well as the internal marketing of the Enterprise 2.0 system (3%).

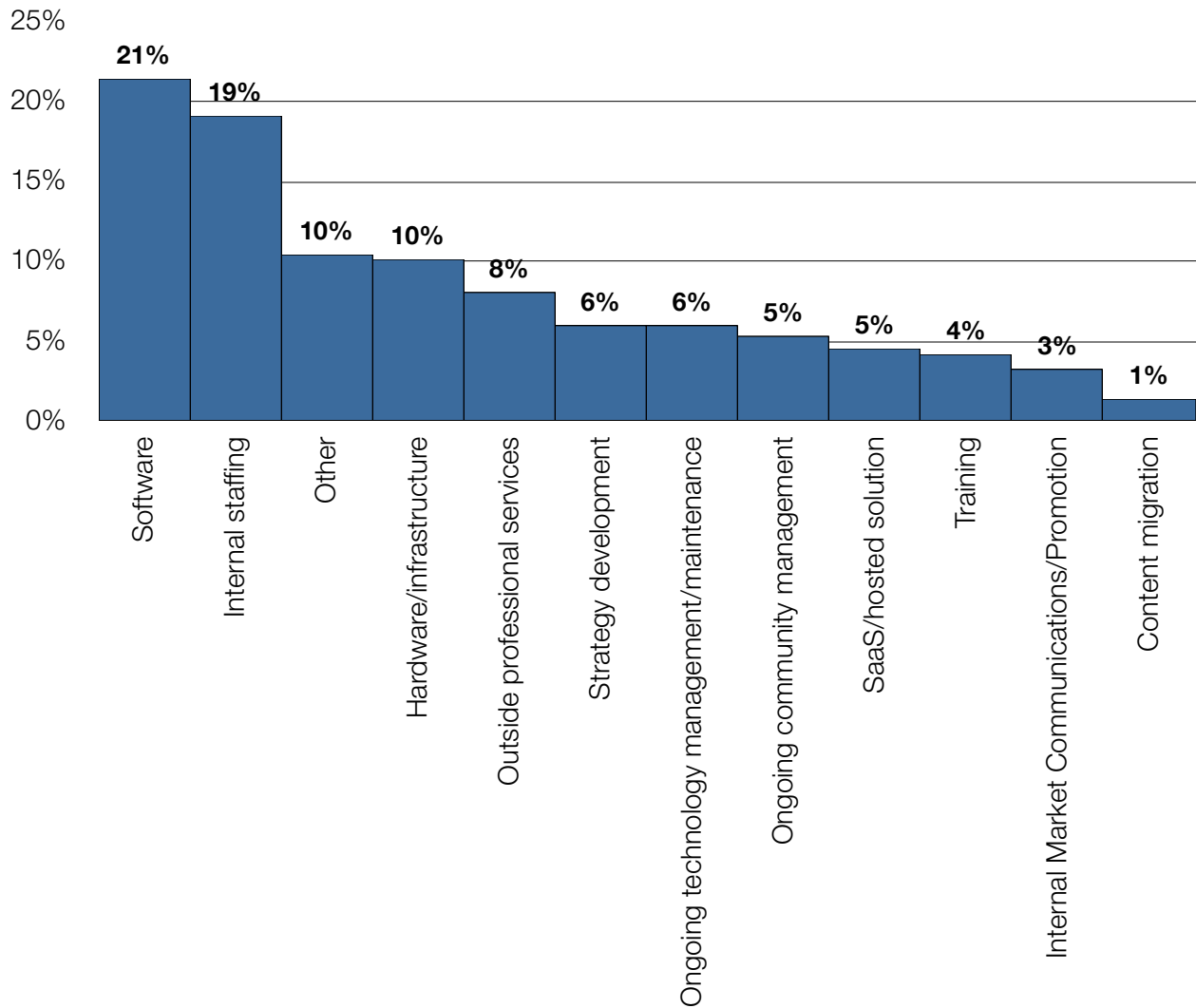
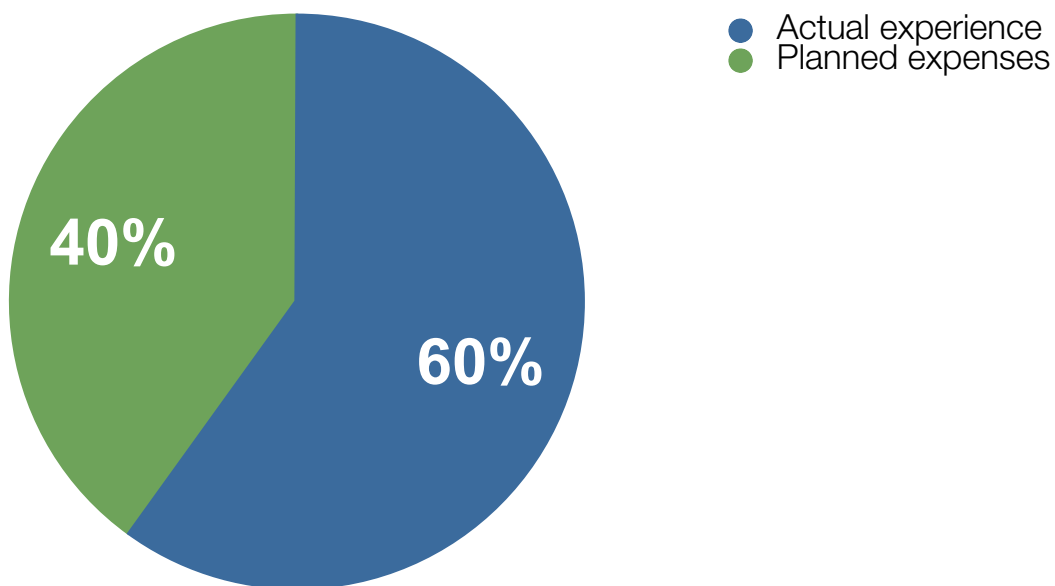


Figure 13: Enterprise 2.0 Budget Allocation

While “2.0” solutions are perhaps easier to use than legacy systems, there is no guarantee that “easy to use” means “no training required” as the changing habits and expectations of collaborative participation requires more than just a “tool swap” and incorporates more complicated “work habit” changes. This conclusion was further

evidenced by the fact that resistance from users was cited as a major challenge, and more importantly, one not easily overcome. (These data points are not included in this paper, but will be included in an upcoming extensive report from Information Architected and The 2.0 Adoption Council.)

Lastly, it should be appreciated that the budget figures reported by respondents were mostly based on actual spend, than on planned budgets. The council members by and large have all begun the journey of implementing and actively benefiting from Enterprise 2.0, and as a result have moved beyond the theory of Enterprise 2.0 and into the reality of a business running within or on top of a 2.0-powered infrastructure.



---

Figure 14: Were Budgeted Amounts Actual Experience Or Planned Expenses?

---

## SECTION 5: GOING BEYOND THIS WHITEPAPER

The 2.0 Adoption Council and Information Architected will continue to provide cutting edge insights and research into the Enterprise 2.0 market. Two such resources that you should be aware of presently are the upcoming extensive market report and the 2.0 Adoption Prediction Market.

### The Upcoming Report

As previously indicated this paper is based on a survey of more than 20 questions, conducted in the latter part of October 2009. Only a fraction of the data collected is included in this report. Information Architected and The 2.0 Adoption Council will be making available a far more extensive report, that includes all the data points collected, as well as extensive analysis to include cross-correlation and segmentation of the market.

#### Other data points to be included:

- The department most responsible for the genesis of the Enterprise 2.0 initiative
- The percentage of effort and budget focused exclusively on inside the firewall applications
- The tenure of the Enterprise 2.0 initiative
- The changing of primary business drivers as the initiative matures
- The composition and size of Enterprise 2.0 management teams
- Identification of, experience with and levels of success handling obstacles and challenges to Enterprise 2.0 deployments
  - IT resistance
  - Management resistance
  - User resistance
  - Measuring ROI
  - Technology integration
  - Technical implementation
  - Security concerns
  - Budget/cost
  - Immaturity of technology
  - Training requirements
  - Community and user support
  - Lack of vision/understanding
  - Compliance

## The 2.0 Adoption Prediction Market

Coincidental with the publishing of these early findings, The 2.0 Adoption Council has partnered with Crowdcast to conduct a Prediction Market. The market enables you to get directly involved with our ongoing research into the Enterprise 2.0 market, make your opinion heard, and learn more about Enterprise 2.0 in the process.

One of the more frequently cited benefits of Enterprise 2.0 is the ability to collaborate as a community from which emerges collective insights and opinions. This is your chance to experience the benefits of crowd-sourcing first hand, in an easy and entertaining manner. Not only do you get to cast your vote and influence the market, but this is also a wonderful opportunity for you to experience crowd-casting and prediction markets and gain insights into whether there is value in staging such forums in your own organization and/or communities.

**Instructions and invitations to participate in the 2.0 Adoption Prediction Market can be found at: <http://surveys.crowdcast.com/adoption>**

## ABOUT THE AUTHORS

**Carl Frappaolo** is a thought leader, entrepreneur, keynote speaker, strategy advisor, and prolific author on a host of Biz-Tech practices including Enterprise 2.0, Knowledge Management and Innovation Management.

He has started 3 companies and has consulted with the Who's Who of the corporate and public sector. He is a Co-founder and Principal at Information Architected. His professional blog can be found at [TakingAllM](#) and you can join his networks at [LinkedIn](#) and [Facebook](#), or follow him on [Twitter](#) @carlfrappaolo.

**Dan Keldsen** is a Co-founder and Principal with Information Architected, focusing on Process, Innovation, Content, Knowledge and Search. Prior to forming Information Architected, he was Director and co-founder of the Market Intelligence unit of AllM International (2007-2008) and with Delphi Group as a Senior Analyst, Consultant, and Chief Technology Officer (1994-2004) until its acquisition by Perot Systems (2004-2007).

He graduated Cum Laude from Berklee College of Music (Boston) with a Dual BFA in Music Synthesis Production and Songwriting. He holds a SANS GSEC certification and was on the advisory Board for the SANS GSEC (security fundamentals) program for two years. He is also a Member of the Usability Professionals' Association (UPA) and The Information Architecture Institute. He blogs at [Information Architected](#) and [BizTechTalk](#), and you can join his networks at [LinkedIn](#) and [Facebook](#) or follow him on [Twitter](#) @dankeldsen.

**Susan Scrupski** is Founder and CEO of [The 2.0 Adoption Council](#). The 2.0 Adoption Council is a peer-based, information-sharing private community interested in the latest concepts, best practices, case studies, and helpful tips associated with executing socio-collaborative strategies and projects in the large enterprise. Susan also founded [SoCo Partners](#), a consultancy based in Austin, TX specializing in introducing 2.0 philosophies and practices to large enterprises. Ms. Scrupski has been conducting research and chronicling trends on Enterprise 2.0 since 2006 on her [ITSinsider](#) blog. Prior to discovering web 2.0, Susan was a leading industry observer, researcher, consultant, and writer on the IT Services and Outsourcing market. You can find Susan on [LinkedIn](#), [Facebook](#) or follow her on [Twitter](#) @ITSinsider.