

Trust Must Be The Foundation Of Your B2B Digital Ecosystem

by Dan Bieler
March 29, 2017

Why Read This Report

Far from being a soft issue, trust underpins the management of your digital business and digital ecosystems. This report highlights how trust is fundamental to your digital transformation. It focuses on the role of trust in the B2B context and analyzes the key technologies, processes, and operational values that CIOs and their teams must use to build and maintain trusted ecosystem partnerships.

Key Takeaways

Multistakeholder Relationships Are Gradually Replacing Interpersonal Relationships

Enterprise customers expect their presales and aftersales engagements with vendors to be coherent and consistent. CIOs must support trust-building IT across the value chain.

Digital Transformation That Doesn't Put Trust At The Center Will Fail

Digital alters business dynamics. Without trust, all enterprise stakeholder relationships are suboptimal. Trust is the oxygen of business activity.

Trust Scores Will Emerge To Certify The Trustworthiness Of Business And Workers

To overcome the challenges of false identities and data tampering, data custodians will emerge to authenticate identities and ensure data quality.

Trust Must Be The Foundation Of Your B2B Digital Ecosystem



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with [Pascal Matzke](#), [Enza Iannopolo](#), [Andy Hoar](#), and Michael Glenn

March 29, 2017

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[Defend Your Digital Business From Cyberattacks Using Forrester's Zero Trust Model](#)

[The Mechanics Of Trust](#)

[Predictions 2016: The Trust Imperative For Security & Risk Pros](#)

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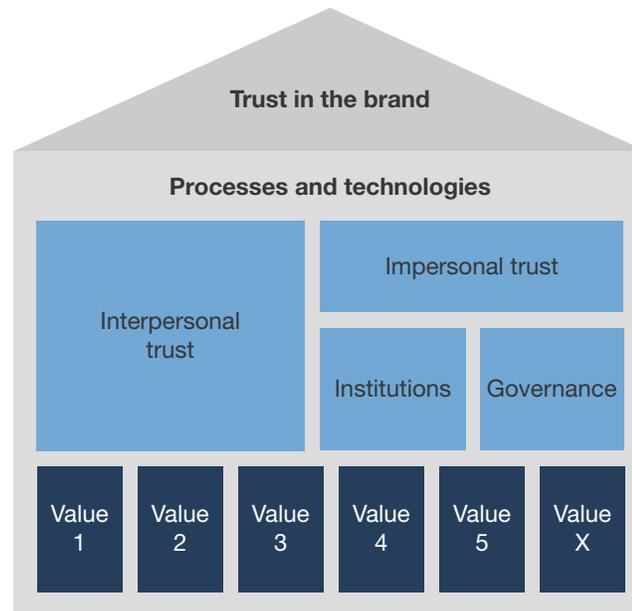
Trust Drives Business Value Within B2B Digital Ecosystems

Trust is one of the most vital elements of any business relationship. But the shift away from linear value chains focused on internal relationships toward more open networks of relationships in the context of digital ecosystems has made trust a critical driver of new revenue opportunities and more efficient operations. Trust comes in multiple forms; in addition to interpersonal trust, there is trust in institutions and governance built upon certain values that a business believes in and lives by (see Figure 1). Processes and technology help build this trust and form the basis for a trusted brand.

“Trust is like the air we breathe. We only notice the lack of it when it’s gone.” (Kirsimarja Blomqvist, professor of knowledge management, Lappeenranta University of Technology)¹

Salesforce’s SVP of trust, Brendan O’Connor, told us that trust is about security, transparency, and availability. Other Forrester reports cover the trust-related aspects of security and privacy as well as the B2C angle on trust — so this one focuses on the values that matter for B2B relationships and the processes and technologies that help to support these values and provide accountability in digital ecosystems.² Trust has a significant impact on your bottom line, helping business leaders, employees, customers, and shareholders to:

- › **Boost revenues.** Trust is a massive differentiator, and it drives customer and partner behavior. Every company would prefer to buy from a trustworthy business. More than half of the respondents to the PwC Global CEO Survey 2015 cited a lack of trust in business as a barrier to their organization’s future growth.³ Trusted businesses will always find it easier to attract new customers, cross-sell and upsell, and attract partners for joint go-to-market activities.
- › **Reduce operating inefficiencies and supply chain costs.** Lack of trust is your biggest expense.⁴ Trust not only reduces customer retention costs; it also breaks down protectionist “old-boy networks” through transparency and opens up markets to new vendors. Trust can’t be bought or enforced through contracts — so a high degree of trust reduces the friction of compliance and regulation and speeds up decision-making and approval processes.⁵ Trust in B2B relationships, especially in supply chains, helps minimize project risk and reduce the overhead for legal teams that draw up lengthy contracts to lower business risk.

FIGURE 1 A Trusted Brand Builds On Values That Are Supported By Processes And Technologies

Trust Among Digital Ecosystem Members Is About Informal Shared Interests

Ecosystems rely on trust. As it is impossible to say who will be around in a year's time, ecosystem members cannot rely solely on interpersonal trusted relationships or contractual agreements. Instead, they must trust the institutional framework and governance that defines the ecosystem. Moreover, ecosystem partnerships are any supply chain's lifeblood; in this context, trust:

- › **Is critical to building social capital.** Social capital is a form of economic and cultural capital in which trusted relations are central and transactions are defined by trust and cooperation. Social capital comprises tangible and intangible assets, including humans and increases with the quality of relationships among these assets. In business, social capital helps improve ecosystem performance, managerial performance, and supply chain relationships.
- › **Differs in degree depending on geography and culture.** Depending on where businesses conduct their affairs, they will find different levels of interpersonal and institutional trust. For instance, homogeneous countries like Finland rank very high in terms of interpersonal and institutional trust. Trust in the professional capabilities of colleagues and partners tends to be very high, which significantly facilitates business relationships. In some countries, such as the UK, interpersonal trust is relatively more important than impersonal trust, whereas the reverse is true in Germany. And of course, the most difficult business environments are those countries where no form of trust is well-developed.

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- › **Caters to multistakeholder relationships that replace interpersonal relationships.** Over the past few decades, countries like Germany, Sweden, Finland, Japan, and Norway have pursued a model of interpersonal relationships based on building trust over long periods of time. Today, a linear personal relationship between one person at a vendor with a single stakeholder at the target customer's firm will not translate into incremental value growth. You need to be able to sell to many more stakeholders in different positions simultaneously and to discuss many different topics to build trust.

Digital Technologies Change Trust Dynamics

Trust is no less important to today's B2B relationships than during the days of the Silk Road or the Old West. Handshake B2B relationships still survive in certain high-trust environments like Upper Bavaria or the US Midwest where certain individuals still have a reputation that outweighs an official contract. However, trust needs to be reassessed in the digital context for several reasons:

- › **The volume and types of information data and access to them is unparalleled.** Digital is about social collaboration, pervasive connectivity, and data sharing. Procurement platforms and online reverse auctions provide unparalleled data and process transparency, which in turn empowers businesses to get suppliers to compete on cost more efficiently and brutally than in the past.⁶
- › **Social media undermines the ability of any business to control its image.** We are moving from an age of institutional trust — where business trust was built upon control via licensing, regulations, and contracts — into a time of greater social trust. The shift from being product-led to customer-led is also in full swing in the B2B context. In the years ahead, there will be a shift from customer-led to community- and ecosystem-led relationships. Reputation will play an important role for enterprise social media tools like Slack, Yammer, and Think Tank as well as customer advocacy in the B2B environment.⁷
- › **All data-driven business models ultimately rely on trust.** In order to obtain insights from big data, companies must trust other firms with their business or workforce data. A company that trusts a vendor to handle its data is more likely to generate cross-selling and upselling opportunities from insights based on that data. For instance, General Electric sells train engines, monitors their performance, and can provide preemptive maintenance services. Collecting business data without outlining what data is collected and why — and for what purpose it will be used — risks destroying trust and undermines the business opportunity for services based on big data.⁸
- › **Customer engagement is real-time and defined by multilateral communications.** As businesses begin their digital transformation, they will connect with customers, employees, and partners in entirely new ways. They need to make a lot of business decisions quickly; if they deliberate as long as they did in the analog days, they risk losing out to competitors. Business platforms increase transparency and collaboration possibilities among ecosystem members and stakeholders at enterprise customers. The quality of personal interactions, social collaboration, and personal experiences has a direct impact on the process of building trust.

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- › **Business is increasingly done in a virtual context.** Few businesses centralize all of their employees in one location. Project teams change composition depending on what expertise is involved. The trend toward a multistakeholder sales process in B2B means that virtual collaboration, including with external experts, is becoming the norm. Businesses increasingly need to rely on impersonal elements of trust. It would be very risky to grant a high level of trust to all ecosystem participants equally; such an approach would fail to distinguish between those partners that are trustworthy partners and those that are out to make a quick buck at your expense.

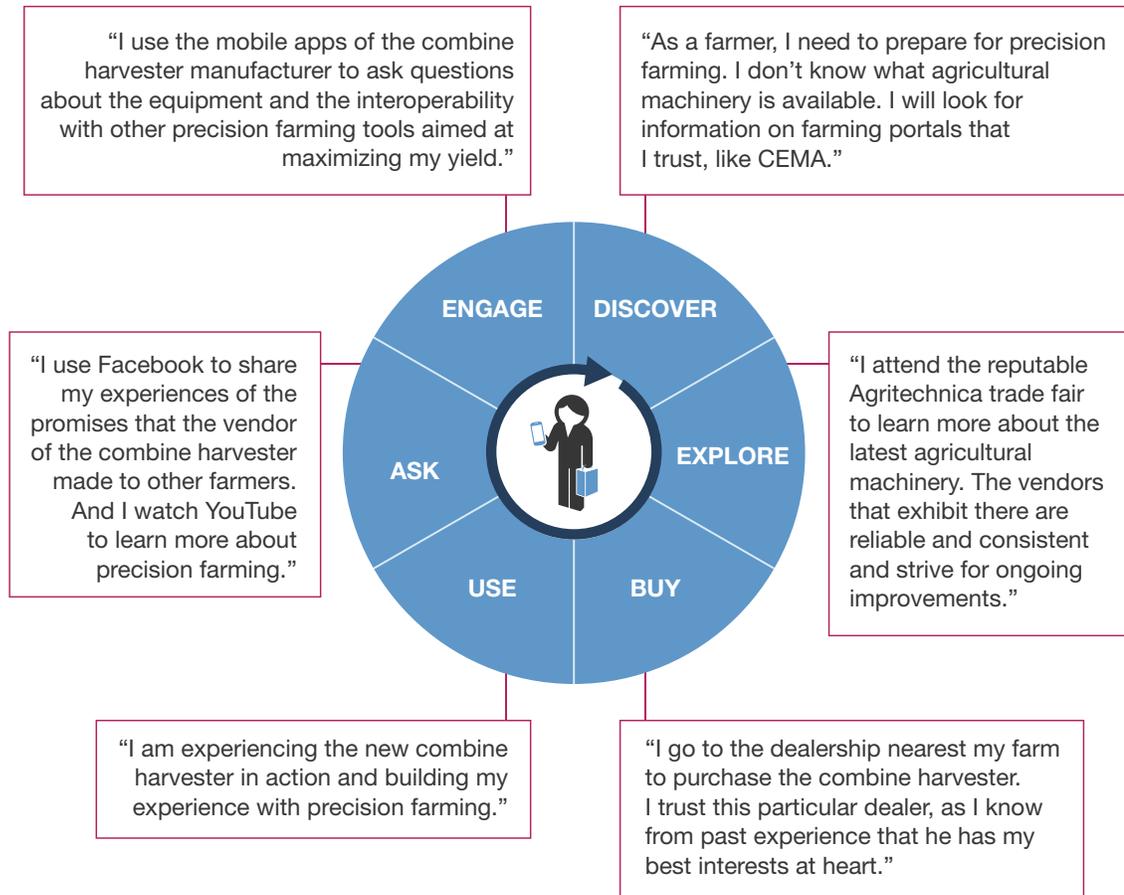
Soft Issues Drive Customer Trust

The age of the customer increases the role of all forms of trust for B2B customer engagement and business success (see Figure 2). Business customers expect a clear, transparent, and coherent sales approach. They expect that their vendors understand their specific business requirements, remember past customer engagements, can talk to different stakeholders in an informed manner, and do not contact the same individual stakeholder with different siloed sales pitches for different portfolio elements. Business customers will not use products unless they trust a vendor. Whether a customer trusts a particular vendor depends on its best, worst, and last experiences. In addition to security, trust in business relationships also covers the angles of customer privacy, values, and accountability. Business customers' trust is related to their:

- › **Perception that vendors can deliver what they promise.** Vendors must have the appropriate expertise, knowledge, skills, and capabilities. In the B2B context, ability is always specific to a particular market context, sector, business objective, business process, and business outcome.
- › **Feeling that vendors have their best interests at heart.** Business customers must have the feeling that vendors are acting in their true interest. Vendors must care about customers and understand their specific requirements and concerns. This caring must be authentic, as relationships that are driven purely by sales targets undermine trust completely.
- › **Belief that vendors act in accordance with stated principles.** Vendors must be reliable, act consistently, and strive for ongoing improvements of their products and services. Overpromises for unattainable business outcomes will ultimately come back to haunt a vendor, as this undermines trust and reduces the potential for any follow-up business.

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FIGURE 2 Digital Transformation Affects Trust At All Stages In The B2B Customer Life Cycle



Build Trust By Supporting Values With Processes And Technology

Building trust is not a simple task, but a complex undertaking that affects the entire organization. Trust, honesty, integrity, moral norms, and transparency are interrelated. Contracts cannot replace trust as the basis for reliable, mutually beneficial, and long-term ecosystem partnerships. To build trust in digital ecosystems, CIOs need to put in place the appropriate processes and technology that support their organization's core values.

Establish And Evolve Shared Values And Corporate Culture Around Trust

Digital transformation offers businesses the chance to move ahead of slower competitors. However, from a customer perspective, trust and morality ought to be intertwined. Even in a business context, trust is emotional. To build trust, businesses must have the integrity to operate by a set of values that the majority of their customer base expects and supports (see Figure 3). Operating by these evolving

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values is the ultimate objective of digital transformation. However, businesses must go through their digital transformation based on values that are transforming on an ongoing basis. The values of the fourth industrial revolution are different than the values of the third; today, businesses have a moral imperative to not violate the norms and values of the day and to stay on the right side of these values. Although every business needs to define its own specific values in order to build trust, these values need to show customers that the business believes in:

- › **Transparency as the basis of a fair business relationship.** Transparency breeds trust — so traditional secretive business culture must become transparent to survive in the digital world. CIOs need to design a big data architecture that gives customers more transparency regarding the usage of their data. Ultimately, business customers must be empowered to manage the data sharing policy with their vendors via self-service portals.
- › **Delivering relevant business outcomes for customers.** Businesses increasingly expect vendors to deliver solutions rather than just products or services. This requires vendors to develop a much more detailed understanding of their customer's business processes and market context. CIOs need to develop systems for obtaining more detailed customer insights as well as CRM platforms that cater to multistakeholder environments.
- › **The competency to deliver quality products and services.** Trust grows if vendors can credibly demonstrate process knowledge, not just technical knowledge. When building trusted relationships, it's also critical to understand who knows what inside an ecosystem.⁹ CIOs need to provide knowledge management tools, as this ability is critical to building trusted partnerships in digital ecosystems. Without this knowledge, it's impossible to get quick access to necessary capabilities and experiences of ecosystem members.
- › **Collaboration as the basis for an inclusive collaborative culture.** Trust forms the basis for collaboration between a business and its partners, suppliers, and customers. CIOs need to ensure that they have collaboration tools that support rapid team working and which are easy to use in order to motivate employees to take more initiative and become more creative in collaborative idea-generation exercises. Businesses in countries with relatively high reliance on institutional trust need to improve the levels of interpersonal trust when engaging in global ecosystem partnerships, as relatively few global institutions provide trust for day-to-day business activities.
- › **Partnership as the basis for obtaining mutual beneficial business outcomes.** The classic economic approach of maximizing profit at the expense of the buyer does not engender customer trust. In a digital context, increased transparency means that crude profit maximization undermines trust. In ecosystems, business customers increasingly expect that partners should aim for sufficient, rather than maximum, profit. For instance, Toyota created the Toyota Production System in the early 2000s, stating publicly that “The achievement of business performance by the parent company through bullying suppliers is totally alien to the spirit of the Toyota Production System.”¹⁰

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- › **Long-term cooperation based on informal shared interests.** Precisely because of the increased demand for business agility, long-lasting trusted interpersonal relationships will retain enormous value for businesses. “Guanxi,” which is fundamental to facilitating all business dealings in China, combines friendship and usefulness in system of social networks and influential relationships. Despite bad connotations, like breeding corruption, guanxi offers an interesting example for building trust and long-term cooperation based on informal shared interests. Guanxi implies a contractless, flexible, and open-ended relationship; there is no set agenda in such relationships, and at times partners sacrifice short-term benefits for the sake of long-term gains. Guanxi is not a one-time deal but requires ongoing investment, as it cannot be taken for granted.
- › **Accountability as the basis for building trust.** There can be no trust without accountability. False claims of product performance, cost savings potential, or warranty coverage where nobody can be held accountable destroy trust immediately. On the flip side, overdelivery should also be accounted for, as it builds trust. This is of particular relevance for B2B buyers, as their reputations or jobs are at risk when buying a product or service of poor quality. Hence, trust plays a central role in any B2B purchasing decision, as in many cases there is direct accountability regarding the quality of the purchase decision.¹¹

FIGURE 3 The Edelman Trust Barometer Tracks Trust-Building Attributes

	% Importance	% Performance	Gap
Integrity	54	31	23
Has Ethical Business Practices	55	31	24
Takes Responsible Actions To Address An Issue Or A Crisis	54	31	23
Has Transparent And Open Business Practices	55	31	24
Engagement	55	32	23
Treats Employees Well	58	33	25
Listens To Customer Needs And Feedback	58	33	25
Places Customers Ahead Of Profits	55	31	24
Communicates Frequently And Honestly On The State Of Its Business	48	29	19
Products	49	34	15
Offers High Quality Products Or Services	58	35	23
Is An Innovator Of New Products, Services Or Ideas	41	32	9
Purpose	43	28	15
Works To Protect And Improve The Environment	50	30	20
Creates Programs That Positively Impact The Local Community	44	29	15
Addresses Society's Needs In Its Everyday Business	45	29	16
Partners With NGOs, Government And Third Parties To Address Societal Issues	34	24	10
Operations	37	28	9
Has Highly-Regarded And Widely Admired Top Leadership	39	27	12
Ranks On A Global List Of Top Companies, Such As Best To Work For Or Most Admired	36	27	9
Delivers Consistent Financial Returns To Investors	36	28	8

Source: 2016 Edelman Trust Barometer

Trust Must Be The Foundation Of Your B2B Digital Ecosystem**Rebuild Processes To Overcome Challenges For Building Trust**

Enterprises must transform in operational and cultural ways to reflect these values. Blind or naïve trust is extremely risky for any firm — so ongoing, proactive evaluation of business relationships is critical to building and maintaining trusted partnerships. Process redesign is important to overcoming trust-building challenges. When redesigning trust-related processes, CIOs should support:

- › **Consistency to deliver to the same expected quality standards.** Trust is fleeting; businesses must prove every day that they deserve their customers' trust. Stringent quality assurance is especially critical in the B2B context, as substandard products or services can affect customers' business continuity. Business customers will lose trust rapidly if quality standards fluctuate. Moreover, inconsistent and discriminatory pricing leave a bad taste if they are presented in a random, unstructured way to the customer.
- › **Robust IT to make end-to-end experiences reliable.** Poorly integrated systems comprised of legacy IT and digital technology translate into poor user experiences. Big data initiatives require robust data gathering, transmission, storage, and analysis. Customer engagement initiatives depend on robust back-end data integration. Omnichannel solutions benefit from process alignment for all touchpoints. Process automation can be good for efficiency but can also undermine the customer's trust. In the digital age, businesses face the major challenge that personal relationships are still one of the most effective ways to build trust.
- › **Data-centric security to mitigate the risk of data breaches.** Digital businesses rely on continuous collaboration with third parties that operate outside of the firm's firewall. As a result, companies' attack surfaces increase and the risk of data breaches rises. Data breaches undermine the reputation of a firm and jeopardize the trust within its ecosystem. Digital businesses must abandon traditional perimeter-based security and focus on data inside and outside their firewall.¹²
- › **Secure, transparent data management to avoid privacy incidents.** Supporting process design to comply with data regulations is of course an absolute must for trust-building. The EU demands as much as 4% of global revenues for a data privacy violation.¹³ However, processes must also ensure that any legal selling of anonymized customer data occurs in a transparent way and prevent inappropriate sharing of customer data (see Figure 4). Firms with comprehensive consent-based data management are better positioned to monetize their business customer data; companies lacking such systems risk failing to protect privacy — and an inevitable loss of trust. Therefore, the data management strategy must mirror the business strategy.¹⁴
- › **Open innovation and crowdsourcing to drive a sense of ownership in the business.** As the role of innovation grows and the calls for outside-in thinking and faster innovation cycles get louder, businesses will embrace open innovation and crowdsourcing more. This step requires a completely different degree of trust regarding product and service innovation from traditional secretive R&D

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activities. From ecosystem participants to business employees, trust arises from a shared sense of ownership in an ecosystem's values. Businesses need to encourage multilateral communications and dialogue among peers and between employees and leaders to build trust and drive self-initiative.¹⁵

- › **Monitoring of business objectives and personal goals to support accountability.** CIOs need to support their organization in monitoring which businesses they trust in which context for what types of tasks. Separately, some degree of employee monitoring is necessary. CIOs should provide monitoring solutions that support accountability without the authoritarian aspects that destroy the emotional power of trust. The key is to make monitoring and tracking a helpful part of personal development.¹⁶ For many traditional businesses, this requires a significant cultural shift in their work and management cultures.¹⁷

FIGURE 4 The Edelman Trust Barometer Highlights Concerns Around Data, Quality, And Security

	% Importance	% Performance	Gap
Protects consumer data	86	67	19
Ensures quality control	85	74	11
Keeps me and my family safe	81	66	15
Is transparent in reporting progress on company's social responsibilities	80	62	18
Makes my life easier	80	79	1
Embraces sustainable business practices	80	66	14
Has leadership that effectively represents the interests of all stakeholders	79	65	14
Supports local charities and good causes	75	60	15
Develops intellectual property	74	73	1
Makes me feel connected to something bigger	70	66	4

Source: 2016 Edelman Trust Barometer

Deploy Technologies To Support Trust In A Sustainable Way

A range of digital technologies — some old, some new — help the emergence of a new trust framework that will profoundly change how individuals and businesses trust and are trusted. The key digital technologies that facilitate this transformation are:

- › **Security to protect against data theft and loss.** Security is the single most important technology consideration for building trust. Skilled, well-funded, organized cybercriminals are working to steal your data — the lifeblood of your digital business — in pursuit of economic, political, or military gain. Forrester's Zero Trust Model of information security empowers business leaders to develop

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robust detection and incident response capabilities and deploy security throughout the digital business ecosystem.¹⁸ Business platforms increasingly offer an interesting option to obtain world-class security.¹⁹

- › **Collaboration tools to stimulate cooperation and involvement.** Collaboration technologies like Slack and Jive help build trust by supporting online teamwork.²⁰ Customers and partners are part of your ecosystem; open your collaboration platforms to them, as access builds trust. Business customers increasingly want to be listened to and to co-create products with their vendors. Collaboration platforms constitute an important technology tool to help build these trusted interpersonal relationships.
- › **Social sharing tools to explore products and services.** Peer reviews of sellers and products are not yet widespread in the B2B segment, but they're growing. B2B digital business pros must make an extra effort to solicit reviews from customers to achieve critical mass.²¹ Most business platforms like SupplyOn's BoostAeroSpace have features that allow reporting of inappropriate behavior of ecosystem members. Traditional safeguards and centralized guarantees like government certificates will retain an important role in trust-building. However, the dynamics are shifting, as Millennial workers rely mostly on blogs and social media before making a purchase. They deem blogs to be more authentic than classic websites or white papers.
- › **Blockchain to drive trusted peer-to-peer communications.** Through the creation of immutable shared records, blockchain can minimize friction between participating parties and help establish trust in environments where not all participants know each other. Blockchain has the potential to increase trust within internet of things (IoT) ecosystems by verifying the trustworthiness of other smart devices. For instance, blockchain allows for easier tracking of smart devices' origins, location, ownership, and history.²²
- › **PKI to securely deliver services or products.** Trust is at the core of public key infrastructure (PKI), which makes it possible to link a user's identity to other trust functions, such as legally robust digital signatures, identity-linked encryption, and physical access control.²³ Organizations using PKI can federate in order to provide, share, and potentially simplify the secure delivery of services or products. The certificate transparency system, which relies on a network of third parties to maintain and audit a distributed ledger, ensures that rogue certificates can be detected quickly.²⁴
- › **Business platforms to power digital ecosystems.** Business platforms like Alibaba's B2B business enhance trust by verifying the identity of business sellers. To build trust in the years ahead, business platform operators must control access to data for ecosystem members' business users.²⁵ Platform operators must ensure that compliance officers at the businesses that use the platform understand the chain of custody of data, the access to that data, and the rights to share that data with third parties.

Recommendations

Put Trust At The Center Of Your Digital Transformation

Measuring the impact and value of trust for digital transformation in the entire enterprise challenges traditional ROI calculations. Attributing the benefits of trust to a single digital investment is impossible, because so much of the impact of trust is cumulative.²⁶ To optimize the return from trust-based initiatives, CIOs need to put trust at the center of all digital transformation activities and:

- › **Provide a solid framework for compliance and governance.** Clarity of values creates trust. Such business values need to reflect the business's vision. The CIO needs to put in place structures that uphold this value commitment, such as running certified software, in order to build and maintain trust. For instance, 90% of all software licensing reviews carried out by PwC identified noncompliance.²⁷ It's imperative that any business that fails at compliance and governance and violates its own values comes forward immediately and takes remedial action.
- › **Support trust-building with the appropriate processes.** Managers must be accountable for breaches in trust. The CIO needs to put in place the right governance and be transparent about how you safeguard your own data as well as that of your ecosystem partners and customers. The Volkswagen emissions scandal is an example of slow, piecemeal crisis management — an approach that cost the automaker dearly in market capitalization and a loss of trust. Conversely, Severn Trent Water's admission of deceitful reporting in its customer service department is an example of decisive, comprehensive crisis management.²⁸ To support trust-building, CIOs must support process interdependencies to ensure business continuity and maximize customer satisfaction in times when values are breached.
- › **Deploy the appropriate technologies to support trust building.** In addition to minimizing risks from cybersecurity breaches like phishing, malicious software, and social engineering threats, digital businesses depend on live and recent system performance data. For instance, up-to-the-minute information on planned maintenance helps to build trust. CIOs must ensure resilient business technology to keep the lights on at all times and avoid technology outages. During the digital transformation process, CIOs will have to deal with the existence of several layers of infrastructure and services, some legacy and some digital.

What It Means

Trust Will Be A Growth Driver For Your Digital Business

The value of digital ecosystems ultimately stems from their collaborative capabilities. The more complex the customer outcome, the more likely it is that a digital business ecosystem will deliver more value to the customer than any single business on its own. In addition to differentiation initiatives, business success requires the ability to leverage digital assets both inside and outside the boundaries

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of the organization for the benefit of customers. This demands not only digital technology capabilities, but also a trusted environment. CIOs must build these capabilities for their organizations to succeed. Businesses that are more open, more empathetic, and more relational will create more trust and be more likely to survive and thrive. For CIOs, this means that:

- › **The stakes in the trust business are high.** Every CIO must be careful not to fall into the trap of treating the trust debate like a public relations circus. “Trust” is a massively abused and overused word; it translates into the propensity by customers to take on the risk of becoming vulnerable. Any business that abuses its customers’ trust will pay a hefty price. In the digital age, the observation that reputation is a business’s greatest asset is even more prominent. CIOs must make trust building an integral aspect of the digital transformation strategy.
- › **Digital ecosystems depend on open collaboration.** The proverbial chain of command is on its way out as digital transformation ensures that your business is driven by multistakeholder relationships that evolve between yourself and your employees, customers, shareholders, and ecosystem partners. For a business to succeed in the longer term, these relationships must be based on trust. These rules have applied since the beginning of time. In the digital context, this means that CIOs must make collaborative multichannel and cross-silo platforms like Think Tank, Slack, and Jive part of the organization’s infrastructure.
- › **Businesses will only share their desires openly if trust is established.** There is no long-term big data business model without trust. IoT data like engine performance data has become an economic commodity. Younger workers also matter: The sooner your business builds a data-driven relationship and deep connection with Millennials, the higher the chances that they will continue to purchase from you once they become managers and budget holders. It’s critical that CIOs ensure the quality of data that forms the basis of big data analysis.
- › **Personal judgment matters more than metrics.** On the whole, employees of established businesses do not resort to social media in their professional lives in droves, although this sentiment is changing among younger employees. Enterprise social media like LinkedIn is increasingly recognized as an effective platform to reach a wider audience. While that code will not replace existing regulations, CIOs need to put in place a framework that allows firms to track business performance against their stated business values. This requires the development of data-based decision-making platforms.
- › **Building trust is a costly endeavor.** Building and maintaining trust costs money and management attention — but not having trust is even more expensive. Business leaders need to analyze the value they obtain from their trust initiatives. As a starting point, it is essential to define what degree of trust is required to meet a particular business objective. The higher the stakes related to a particular business activity, the more trust that will be required. CIOs need to develop a set of defined key performance indicators that track trust-related parameters.

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- › **A trust score for businesses and individuals is likely to emerge.** Forrester expects trusted data custodians to emerge over time from organizations like banks, governments, telcos, nongovernmental organizations, and over-the-top providers. These trusted data custodians will generate and certify “reputation scores” similar to credit ratings or individual credit scores. Reputation scores would also certify the unique identity of an individual or even a machine.
- › **Trade organizations must reflect the changing role of trust.** Institutional bodies like the OECD, IMF, WTO, and EU must define what level of trust is needed for what type of business transaction, how to monitor this level of trust, what penalties to apply, and how to administer them. Moreover, the definition of intellectual property needs to be redefined to support trust, as data itself represents value in a digital context. This should be of real concern for the likes of Google, as a change in intellectual property rights of data could undermine their IoT business models. There will be significant regional differences regarding the understanding of what privacy protection means and where to draw the lines between privacy and safety.

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Companies Interviewed For This Report

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Blockstack	Nuco
Bosch	OpenBazaar
Filament	Salesforce
GE	Siemens
Guardtime	SwirlDs
Huawei	Think Tank
IBM	VirtusaPolaris

Endnotes

- ¹ For more information, check out this video from Lappeenranta University of Technology on trust in business relationships. Source: “Generalized and specific trust - Trust in business relationships 2/13,” YouTube, August 20, 2013 (<https://www.youtube.com/watch?v=9qWKR08kfFQ>).
- ² For more information on the impact of trust on security and privacy, see the Forrester report “[The Mechanics Of Trust](#),” see the Forrester report “[Defend Your Digital Business From Cyberattacks Using Forrester’s Zero Trust Model](#),” and see the Forrester report “[Predictions 2016: The Trust Imperative For Security & Risk Pros](#).”
- ³ Source: “Trust Insight,” PwC (<http://www.pwc.co.uk/governance-risk-compliance/insights/trust-insight.html>).
- ⁴ As Taiichi Ohno, who created the Toyota Production System, has said: “The achievement of business performance by the parent company through bullying suppliers is totally alien to the spirit of the Toyota Production System.” The key word in that statement is “parent,” which signals a long-term relationship that involves trust and mutual well-being. At the same time, the relationship connotes discipline and the expectation of improvement and growth. For example, Toyota’s Construction of Cost Competitiveness for the 21st Century program aims at a 30% reduction in the prices of 170 parts that the company will buy for its next generation of vehicles. Source: Jeffrey Liker and Thomas Y. Choi, “Building Deep Supplier Relationships,” Harvard Business Review, December 2004 (<https://hbr.org/2004/12/building-deep-supplier-relationships>).
- ⁵ Critics describe old-boy networks, like Deutschland AG in Germany or Keiretsu in Japan, as “organized private enterprises,” where a small group of business leaders arrange deals between themselves without opening the opportunities to outsiders.
- ⁶ Source: Jeffrey Liker and Thomas Y. Choi, “Building Deep Supplier Relationships,” Harvard Business Review, December 2004 (<https://hbr.org/2004/12/building-deep-supplier-relationships>).
- ⁷ For more information on the role of reputation in enterprise social media, see the Forrester report “[Brand Resilience: Addressing The Critical Risks](#).”

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- ⁸ As more and more companies share or sell data to partners in their value chain or with external firms as part of the broader data economy, they must be able to trust their partners' ability to protect that shared data. Professor Dr. Christoph Bauer, CEO of ePrivacy, told us that an increasing number of companies undergo formal certification processes to satisfy their business partners' request for proof that they have put in place high standards for protecting customer data. For a growing number of organizations across Europe, this is a fundamental condition for being included in a value chain. For more insight, see the Forrester report "[CIOs: Drive Internet-Of-Things Strategies Forward With Effective Data Protection Practices.](#)"
- ⁹ Source: "Guanxi as social know-who - Trust in business relationships 11/13," YouTube, August 20, 2013 (<https://www.youtube.com/watch?v=fmbstfqMmoA>).
- ¹⁰ Source: Jeffrey Liker and Thomas Y. Choi, "Building Deep Supplier Relationships," Harvard Business Review, December 2004 (<https://hbr.org/2004/12/building-deep-supplier-relationships>).
- ¹¹ Source: Paul Hague, Nick Hague, and Matthew Harrison, "B2B Marketing: What Makes It Special?" B2B International (<https://www.b2binternational.com/publications/b2b-marketing/>).
- ¹² For more information on security and privacy, see the Forrester report "[The Future Of Data Security And Privacy: Growth And Competitive Differentiation.](#)"
- ¹³ See the Forrester report "[Predictions 2016: The Trust Imperative For Security & Risk Pros.](#)"
- ¹⁴ For more information on data management strategies, see the Forrester report "[Four Steps To A Data Management Strategy In Light Of Big Data.](#)"
- ¹⁵ Source: Darcy Jacobsen, "5 Tips For Building Trust In Your Organization," Globoforce, February 5, 2014 (<http://www.globoforce.com/gfblog/2014/5-tips-for-building-organizational-trust/>).
- ¹⁶ Source: "Creating a culture of trust, one slice at a time: Nick Sarillo at TEDxTU," YouTube, December 2, 2013 (<https://www.youtube.com/watch?v=YwwX1SSZKME>).
- ¹⁷ Source: Dan Bieler, "Digital Transformation - Part 2: Culture And Organization," Dan Bieler's Blog, July 1, 2016 (http://blogs.forrester.com/dan_bieler/16-07-01-digital_transformation_part_2_culture_and_organization).
- ¹⁸ See the Forrester report "[Defend Your Digital Business From Cyberattacks Using Forrester's Zero Trust Model.](#)"
- ¹⁹ See the Forrester report "[Power Your Digital Ecosystems With Business Platforms.](#)"
- ²⁰ For more information on collaboration platforms, see the Forrester report "[The Collaborative Economy Will Drive Business Innovation And Growth.](#)"
- ²¹ For more information on trust in the context of ratings and reviews, see the Forrester report "[Driving Customer Engagement With B2B Ratings And Reviews.](#)"
- ²² For more information on blockchain and IoT, see the Forrester report "[Disentangle Hype From Reality: Blockchain's Potential For IoT Solutions.](#)"
- ²³ Source: "Distributed Ledger Technology: beyond block chain," Gov.uk (https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/492972/gs-16-1-distributed-ledger-technology.pdf).
- ²⁴ Source: Certificate Transparency (<https://www.certificate-transparency.org/>).
- ²⁵ See the Forrester report "[Business Platforms Power Your Digital Business.](#)"
- ²⁶ For more information on ROI and the customer, see the Forrester report "[Build Your Digital Transformation Business Case Around The Customer And Revenue Growth.](#)"
- ²⁷ Source: "Building Digital Trust : The Confidence to take risks," PwC (<http://www.pwc.co.uk/cyber-security/insights/building-digital-trust-to-take-risks.html>).

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²⁸ Source: Graham Dietz and Nicole Gillespie, "Rebuilding trust: When sympathy dried up for Severn Trent Water," The Guardian, April 10, 2012 (<https://www.theguardian.com/sustainable-business/severn-water-trust-ofwat-data>).

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