IBM Institute for Business Value

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Overview

Social technologies are increasing the ability of companies to tap into the distributed knowledge and expertise of individuals located inside and outside the formal boundaries of the enterprise. Applying this knowledge can deliver tangible benefits in developing new products and services, sharing best practices, distributing work in new, innovative ways and predicting future events. This study highlights a number of approaches for applying Collective Intelligence, how organizations can determine and select the appropriate audiences for these efforts, and how they can address the common risks and challenges of this emerging capability.

Collective Intelligence
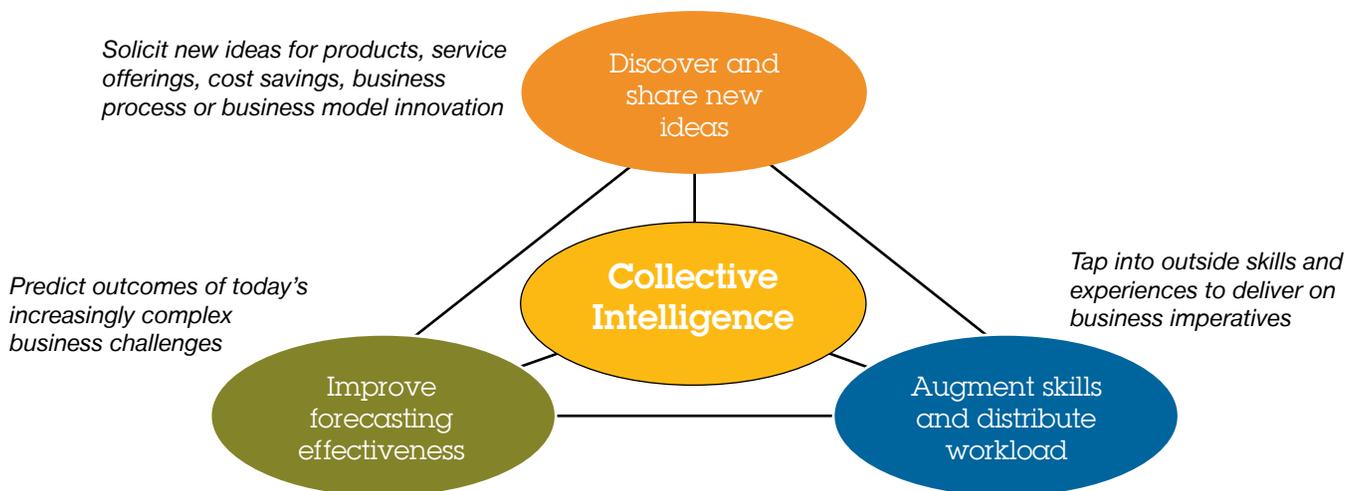
Capitalizing on the crowd

Can an organization that chooses to ignore the insights of employees, customers and business partners expect to thrive? For many, the answer is no. In a global environment where innovation cycles are shrinking, customer expectations are rising and talent is becoming more distributed, companies are seeing the need to more effectively apply the knowledge and experience of individuals, regardless of their vocation, affiliation or organization status.

Fortunately, the opportunity to more effectively apply Collective Intelligence – the aggregated knowledge, insight and expertise of a diverse group – has become a reality. As individuals become more adept and comfortable sharing thoughts and ideas in virtual spaces, companies can use these insights to address critical business challenges. Harnessing Collective Intelligence can play an important role in generating new ideas, solving age-old problems, disaggregating and distributing work in new and innovative ways, and making better, more informed decisions about the future.

Through our research, extensive client experience, and in-depth conversations with a broad range of academics, vendors and companies that have explored with Collective Intelligence techniques, we see three areas of guidance for organizations:

1. Collective Intelligence can enhance business outcomes by improving how organizations access the untapped knowledge and experience of their networks to:
   - Discover and share new ideas
   - Augment skills and distribute workload
   - Improve forecasting effectiveness.
2. Central to the success of Collective Intelligence initiatives is the ability to target and motivate the *right* participants, considering the need for:
   - Knowledge – contextual awareness of the problem to be solved
   - Diversity – sufficient breadth of experience to bring a range of perspectives and views
   - Disruption – willingness to challenge current thinking.
3. Key study findings indicate that successful Collective Intelligence efforts need to:
   - Address sources of resistance, including operational challenges, conflict with existing charters, perceived loss of control, and shifting roles and responsibilities
   - Integrate Collective Intelligence into the work environment, both technologically, and culturally
   - Act on what is discovered, communicating value and outcomes to both the organization and the individual.

Solicit new ideas for products, service offerings, cost savings, business process or business model innovation

Discover and share new ideas

Tap into outside skills and experiences to deliver on business imperatives

Predict outcomes of today's increasingly complex business challenges

Collective Intelligence

Improve forecasting effectiveness

Augment skills and distribute workload

Source: IBM Institute for Business Value..

Figure: **Collective Intelligence approaches connect knowledge and experience to where it is most needed to address today's business challenges.**

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Collective Intelligence is a powerful resource for creating top-line growth, driving efficiency, improving quality and excellence, and building a better employee climate. Organizations considering adding Collective Intelligence as a business capability need to ask themselves the following questions:

- What are our strategic business objectives, and what types of insight can help us compete or differentiate ourselves in the market?
- Considering the audiences we may want to involve in a Collective Intelligence project, how can we motivate them to share their insights with the organization?
- How do we capture knowledge and connect individuals in new and cost-effective ways?
- What technology tools do we need to support this capability, and who is best positioned to help us take advantage of these tools?

Regardless of the approach taken to infusing Collective Intelligence into the fabric of an organization, it represents a new approach and opportunity for companies to create value using the experiences and insights of vast numbers of people around the world.

How can IBM help?

- IBM's Social Business Services helps clients establish their social business strategy, select and implement social technology platforms, embed social behaviors in key business processes and develop the skills necessary to operate in a social environment. Social Business Services works to accelerate the adoption of a social environment with best practices and tools resulting from IBM's own social business journey, and deploy social analytics to analyze the vast amounts of social data generated within and outside the organization. For more information, please visit: **ibm.com/**gbs/strategy

- IBM Social Business Software includes a core platform of social business applications as well as business applications that extend that platform to suit your specific business needs. With social business software, you can empower people with social networks, engage with experts and clients, and cultivate trust using people-centric experiences. For more information, please visit: **ibm.com/**software/lotus/socialcollaboration

To request a full version of this IBM Institute for Business Value study, please contact us at iibv@us.ibm.com. For a full catalog of our research, visit: **ibm.com/**iibv

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