

The Ultimate Guide to the Collaboration Economy



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Business as we know it is changing in fundamental ways due to powerful dynamics like information technology, globalization, and social media. These dynamics are creating an environment where companies and professionals must become more collaborative to succeed. The “Collaboration Economy” can create tremendous opportunities for businesses in the form of new market opportunities and new ways of working, but it can also create uncertainty, particularly when it comes to transforming an organization into one that is capable of true collaboration.

The benefits of collaboration are substantial. Companies that collaborate with employees, customers, and partners outperform their peers in a number of different such as revenue growth, operating metrics, customer satisfaction, and employee retention.

The Ultimate Guide to the Collaboration Economy is designed to help professionals and companies leverage collaboration. Companies can use this ebook as a roadmap to become more collaborative in nature. It includes a discussion of how business is changing as well as an extensive list of best practices that help companies achieve a more collaborative state.

The Collaboration Movement

The Collaboration Economy began as a movement in the 1990 as businesses everywhere realized that the Internet could be used as a tool to enable collaboration. Early collaboration applications such as email were rudimentary in nature and simply took offline forms of collaboration and moved them online. More recently, collaboration has taken on a life of its own as online collaboration platforms have emerged that advance how professionals create, share, and consume information and knowledge. At a high level, five dynamics have created a new way of doing business over the last couple of years that have revolutionized how companies collaborate.

1. Business as we know it is fundamentally changing. It's evolving to be more collaborative and social as companies come to understand the benefits of collaboration. More effective collaboration among employees is yielding tremendous productivity improvements, while collaboration with customers is translating into directly attributable revenue growth. Much of this change stems from the way people create, share, and consume information in their personal lives. Personal media, communication, and technology habits are having a profound impact on how people work.

2. The ubiquitous nature of social media platforms and technologies are creating a new set of expectations among professionals when it comes to the technology they use at work. For example, the exceptional design and user experience of many social media tools has changed what users want from business technology. Market research now shows that user experience ranks as the top evaluation criteria for many business technology purchases.
3. Organizations are becoming leaner and more nimble. Executives are building what might be called more resilient organizations by minimizing upfront capital outlays, emphasizing time to market cycles, and creating flexible workforces. One example of the leaner, more nimble organization at work is how the Internet has made modular, mobile workforces a reality for many companies. This type of workforce is proving to be cost effective, highly specialized, and also available on demand. The benefits are so compelling that IDC estimates that 37.2 percent of the global workforce will be mobile in 2015.
4. Previously scarce technology has become remarkably abundant. Whether it's software as a service (SaaS), cloud computing, open source, or ad-sponsored software, most of the technology that a business needs is available at an extremely low cost compared with historical standards. With hardware, software, bandwidth, and storage costing 10 percent of what it did 10 years ago, any size business can now take advantage of enterprise-class applications and services to support all of the major business functions. This is true even during uncertain economic times.
5. An abundance of technology has created an abundance of information. The volume of business data generated by all the world's companies is estimated to double every 1.2 years. While some companies are struggling to deal with sheer volume of data being generated, many are using simple technologies to leverage data to make better business decisions. In short, the proliferation of technology is creating a massive amount of data, which will in turn require companies to adopt more technology.

“Video conferencing using GoToMeeting with HDFaces adds an important dimension to our meetings that a phone conversation alone can't provide.”

Tyler West

Senior Manager of Information Technology Services
Best Friends Animal Society

“GoToMeeting is always live. It's how we communicate. If someone calls me, I immediately suggest launching a session. It reduces errors, risk and misunderstandings that arise when you're just talking about something.”

Brian Roderman

Co-founder and Chief Innovation Officer, In2Innovation

30 Collaboration Best Practices

While the move towards collaboration creates both opportunities and risks for almost every business, it's critical that companies effectively manage this change. Without a roadmap and set of best practices, many organizations will fail in their efforts to succeed in a more collaborative economy. To help with this effort, here are 30 best practices, organized into five higher-level categories that are designed to help businesses achieve a more collaborative way of doing business.

Build a highly distributed, collaborative organization

Dynamic markets require companies to change quickly. Companies must be able to take advantage of new market opportunities and respond to market risks in a matter of days as opposed to years. Organizations that are flexible and resilient outperform their peers in rapidly changing markets. And companies that organize themselves in a highly distributed manner tend to be the most resilient and flexible of all. That's because these companies can tap into global markets, highly skilled labor pools, and specialized groups of partners and suppliers.

1. Target and test global market opportunities.

Highly distributed organizations are capable of targeting local and regional markets around the world. That provides companies with larger target markets. In fact, 70% of the world's purchasing power lies outside of the United States. Historically, this has been difficult to do given geographic limitations, but the Internet makes marketing and selling to a broader market, remarkably straightforward. A variety of technologies such as self-service advertising tools and video conferencing platforms make it possible to target and engage prospective customers no matter their location. Furthermore, many of these tools make it possible to run small tests to gauge the strength of a particular geography before deciding to make a full investment in the market.

2. Build a highly distributed, skilled workforce.

Great employees are critical to a company's success, particularly in rapidly changing markets. But location often prohibits companies from hiring truly great people. Over 60% of companies already allow their employees to work remotely because a distributed workforce offers companies a number of benefits. First, companies can hire people from a larger, global pool of employees. It's easier to find specialized skill sets in this broader talent pool. Second, employees who can work from their preferred location are usually happier and more productive. Third, a remote workforce can deliver significant cost savings to a business. A recent study estimates that U.S. companies can save up to \$20,000 per employee by having them work remotely.

3. Develop a distributed network of partners, suppliers, and experts.

Many businesses have already created distributed networks of suppliers and partners. A leading example of this trend is companies in the west sourcing goods and materials from Asian manufacturers. For example, the United States imported about \$400B in goods from China in 2011 and although not all of these imports were wholesale goods, a huge percentage of the imports were. More recently, companies have begun to leverage networks of expertise. From closing the books, to developing a call center script, to resolving a complex legal issue, the Internet is providing companies with a deep bench of expertise that was previously not available to most companies.

4. Invest in technology that enables communication across the organization.

The highly distributed organization is only as good as the technology that enables it. That's because for all the benefits that a networked organization can deliver, the costs associated with enabling effective communication and collaboration across that organization can be quite high. As a result, technologies such as video conferencing are growing at a torrid pace. In 2011, the video conferencing market grew 20.5% to \$2.7B in total revenue. Mobility is another technology that enables effective communication and collaboration among employees, customers, and employees. It's no wonder that enterprise mobility will be a \$40B market in 2016.

5. Adopt management practices specific to the distributed organization.

A distributed organization is different than one that is centralized. Most management practices are built around the centralized organizations where workers are located in the same office and customers are geographically close. Examples of management techniques that are required in a more distributed environment include: conducting regular check-ins with employees, customers, and employees; establishing clear guidelines and expectations with these constituencies that guide behavior; and making sure that manager and leaders are available on an ad

“Our virtual organization depends on GoToMeeting with HDFaces video conferencing to maintain the company culture and promote teamwork. We get tremendous value from video conferencing when we're demonstrating a new product to our staff because the reactions – positive or negative -- are right there on people's faces. HDFaces has also made it very affordable to incorporate high definition video to any meeting as it's included in GoToMeeting subscriptions at no additional cost.”

Mike Huska
CTO, Incential Software

hoc basis to collaborate on specific issues.

Hire and collaborate with the best workers available

Great employees make great companies. Hiring and retaining top performing talent is easier said than done though. In rapidly changing markets, companies that are able to hire and retain top talent are at a distinct advantage given that it's usually the top 3-5% of the workforce that helps a business set its strategic direction and lead in the execution of that strategic plan. Moreover, once established a culture of excellence can become a magnet for attracting other top candidates. This creates a virtuous cycle of talent that can offer a significant advantage to companies competing to attract the best and the brightest.

6. Identify exceptional talent using a variety of online tools.

Sourcing high quality candidates has never been easier thanks to a plethora of online tools that help companies identify top talent. As might be expected, social media is playing a critical role. According to a recent study, 98% of recruiters are using LinkedIn, 42% are using Twitter, and 33% are using Facebook. There are also sites and communities specific to certain industries and markets. For example, in the software industry, StackOverflow has become a quasi-de facto tool for evaluating software developers.

7. Don't be afraid of the remote workforce.

As discussed above, location often gets in the way of hiring the best and brightest employees. Don't let it. In a changing economy, it's critical to hire the most skilled person for the job, regardless of location. This is particularly true of knowledge workers where there's rarely a true need for close physical proximity between employer and employee. The fact that a range of business technologies now makes communication and collaboration easier and more effective than ever only amplifies the benefits of a remote workforce. It should come as no surprise then that 54% of companies think a majority of their employees will work remote by 2017.

8. Engage employees on an ongoing basis.

Employee engagement has taken center stage in recent years due to a number of studies that demonstrate a direct link between workforce engagement and corporate performance. In the aggregate, the impact of employee engagement on overall economic activity is staggering. Gallup estimates that disengaged employees cost \$300B in lost productivity in the United States alone. Employee engagement impacts a multitude of business activities, including strategic business metrics such as revenue and profitability, as well as less tracked metrics like safety incidents and employee absences.

9. Make collaboration technology a core driver of employee engagement.

Technology has quickly become the foundation of many employee engagement and internal communications programs. There are two primary reasons for this. First, most of the best practices associated with engagement and the communications programs that support them are made possible by social collaboration platforms. The core act of communicating is an example of this, as is the measurement of program effectiveness. Second, these technologies have become much easier to use in recent years with significant usability improvements and the introduction of SaaS-based software offerings.

10. Use high performing teams and groups as incubators.

Just about every company has teams or groups of employees that outperform the rest of the organization. There's a lot to learn from these groups, especially when it comes to engagement and communication. That's because high performing teams usually exhibit high rates of engagement with each other thanks to effective communications practices that they have developed on their own. One blueprinting exercise that can be very helpful when creating a program is to spend time watching how high performing teams collaborate and sharing these best practices with the rest of the organization.

Make collaboration ubiquitous in all areas of the business

Companies that foster internal collaboration among employees and external collaboration with customers and partners have a significant advantage over the competition. Collaboration impacts a multitude of business activities, including strategic business metrics such as revenue, customer satisfaction, and profitability, as well as less tracked metrics like safety incidents and employee absences. While true collaboration used to be a daunting task for many businesses, recent years have seen the advent of easy to use collaboration technologies and processes.

11. Embrace various forms of online collaboration.

A variety of collaboration tools make it easier than ever to communicate with customers, partners and employees without having to incur traditional communications and travel expenses. While traditional forms of communication, such as teleconferences and face-to-face meetings, will exist for a long, long time, newer collaboration platforms are emerging. These platforms take their cue from how people create, share, and consume information in the real world. Valuable collaboration capabilities like video conferencing, real time chat, shared whiteboards, social commenting, and document sharing have made online collaboration a reflection of the real world.

12. Collaborate with employees in a deep, genuine way.

At a high level, most executives now understand the business benefits of improved employee engagement. In fact, according to a recent McKinsey study, approximately 80% of executives believe that employee collaboration is critical to growth. Interestingly, only 25% of those same executives describe their organization as being effective at employee engagement. To close this gap, businesses should stop relying on a general understanding of how employee engagement is linked to corporate performance and develop a specific business case that can guide efforts to improve engagement.

13. Remember that customer collaboration makes or breaks companies.

Collaborating with customers is arguably one of the most important things that a business can do. Effective customer collaboration leads to better products and happier customers. Both of these things are two of the most important drivers of revenue growth. With recent technology advances, customer collaboration doesn't need to involve a lot of time or money either. While the benefits are compelling, few companies are far enough down the external collaboration path to be realizing tangible benefits. For example, a recent study by Forrester claims that only 27% of companies see improved customer experience as a result of collaboration. That's a shame given the promise that customer collaboration holds.

14. Create a culture of collaboration.

Most collaboration programs fail when leadership starts signaling that communication inside of the organization is not a real priority. Sometimes this signaling is explicit, but more often than not, it's implicit. This implicit signaling occurs when people do things like repeatedly cancel meetings, stop publishing business updates, erect barriers between groups of employees, hide information that can and should be shared with employees, and shut down mechanisms that allow for multi-directional communication.

15. Build collaboration programs to be flexible and scalable.

Internal communications programs can and should be built to scale across the organization. With the right technology and processes, a

“Arranging on-site meetings takes time and focus away from the project itself. Instead of spending a full day on a client visit every few weeks, we hold a one-hour collaboration each week. Not only is this a more efficient use of everyone's time, it allows us to stay in closer communication and address issues right away.”

Brian Roderman

Co-founder and Chief Innovation Officer, In2Innovation

program can scale to a large number of people, geographies, and groups throughout a company. It's critical to do this given that one of the most important objectives of internal communications is to make sure that everyone is on the same page. More tactically, make sure that every employee is able to easily access the information they should have. Far too often, employees will cite the difficulty associated with accessing information as a barrier to effective internal communications.

Make collaborative innovation a core competency

In times of economic change and uncertainty, it often seems counterintuitive to invest in innovation. To many business leaders, it makes more sense to defend the base. But the best companies in the world are constantly investing in innovation. In fact, companies that make innovation a core competency in good times and bad consistently outperform their peers.

16. Recognize that innovation wins in a knowledge economy.

Most of the world's high growth businesses are companies that depend on knowledge to succeed. In most markets, knowledge quickly becomes a commodity due to technologies like the Internet. As a result, it's critical that firms continue to innovate in order to stay ahead of the commodity information curve. This requires an investment in the time, money, and resources to create a culture of innovation.

17. Make innovation a pillar of company culture and organization.

Companies that excel at innovation have made it a part of company culture and deeply embedded it into the fabric of the organization. One tactic used by innovative companies like Dow Chemical is to allow employees to shift roles on a regular basis. This creates opportunities for employees to explore new ideas in new settings and also creates higher employee satisfaction ratings.

18. Understand the link between sharing knowledge and information.

Many companies make the mistake of assuming that innovation will be driven a small group of employees wearing white lab coats. In point of fact, everyone in the organization should think about innovation and knowledge-sharing is the currency that drives that. Today's technology makes it easier than ever to share information in a truly collaborative manner.

19. Let every employee drive innovation.

Google has been lauded for letting employees spend 20% of their time on non-core projects. 3M allows researchers to spend 15% of

their time exploring new ideas. 3M also demands that employees must share their innovations with others. Both companies are examples of organizations empowering rank and file employees to drive innovation. Distributed forms of innovation that enlist the help of many employees rather than a few employees stand a much greater chance of success. Call it the wisdom of the crowd.

20. Recognize that innovation takes many different forms.

Not all innovation results in a massive new product or service for the business. These “big bang” innovations are in fact very rare. Many companies are better off encouraging innovation at a smaller scale. There's nothing wrong with creating small, new efficiencies for an existing business process or improving an existing product, as long as the proposed change has a positive impact on the business.

Strive to be fast, efficient, and nimble

Efficiency is critical in a challenging economic environment. Companies that operate efficiently realize higher margins than their competitors do. They also increase their chances of surviving disruptive changes because they are able to adapt more quickly to disruptive changes in the market. In fact, many businesses already recognize this and are leveraging a variety of tactics in order to become more efficient and nimble. As a result, U.S. companies have never been more productive.

21. Build a capital efficient business.

Many businesses face greater capital constraints in the current economic climate, but they also require much less of it. This is certainly true in information or digital industries, where trends such as cloud computing, online communities, and open source are driving costs down significantly. Take game development as an example. In the offline/retail world, it might take \$30M to develop and market the game. In the online world, even wildly popular games like Friends for Sale require less than \$1M to develop and market. By the way, capital efficiency isn't merely a digital phenomenon. Even “offline” businesses require less capital as they source goods and services from all over the world and develop new markets more efficiently.

22. Tap into labor on demand.

There are now over 9 million temporary workers in the United States alone. And then there's the global workforce that is now available to U.S. businesses because of globalization and the Internet. While that might not be a comforting fact for many economists, it's a resource that companies can use to access specialized skills and labor at low costs. Almost every skill required to build and run a business is now available on an a la carte basis. Skills range from the engineering resources available on freelance sites to on-demand customer service from business

process outsourcing companies.

23. Leverage an abundance of inexpensive technology.

Whether it's Software as a Service (SaaS), cloud computing, open source, or ad-sponsored software, most technology that a business needs is available at an extremely low cost compared with historical standards. With hardware, software, bandwidth, and storage costing one-tenth of what it cost 10 years ago according to some observers, any business can now take advantage of enterprise-class applications and services to support all of the major business functions. From obvious applications such as CRM software to more arcane services such as community-powered customer service, enterprise-class functionality is now available to any business at a low cost.

24. Engage in lean product development.

It's now possible to develop and launch products and services in a matter of days or weeks. Amazon EC2, Rackspace Cloud, and other cloud computing offerings make application/service development and hosting easier than ever. And while many of these capital efficiency tips center around the Internet, there are also developments in the purely offline world that are enabling small businesses to be more capital efficient. One of the more exciting advances is the emergence of "desktop manufacturing" technologies that allow small businesses to develop three-dimensional prototypes using nothing more than a PC and 3D printers.

25. Develop a lean "supply chain".

While globalization has enabled western businesses to source supplies and raw materials from manufacturers in Asia for some time now, a new set of tools is allowing every business to take advantage of these distributed suppliers. The notion of a lean supply chain is being extended beyond the realm of manufacturing to other markets as well. For example, companies can now leverage networks of product developers and designers online. These platforms, which embrace online collaboration as a mission critical element, deliver speed, usability, and compelling economics.

Leverage an abundance of easy to use technology

The Internet has fueled a proliferation of business applications and services that used to be expensive and difficult to use. Many of today's technology discussions focus on the raw computing power that's being made available to everyone, but some really exciting developments are occurring in the business application market where new applications are transforming business as we know it. These new applications and services share a number of common characteristics: they are often social in nature, mimicking the features of many social media

platforms; they are typically delivered via a software-as-a-service model; and they place a premium on usability.

26. Make online collaboration ubiquitous and always on.

The collaborative work environment is creating acute demand for new collaboration platforms. And clearly email leaves many professionals looking for more effective ways to communicate and share information with each other. There are a number of requirements that organizations should look for when evaluating collaboration tools including: support for both internal and external collaboration; ease of implementation and ongoing use; the ability to integrate with existing modes of communication, processes, and workflow; and support for a highly distributed, diverse group of users.

27. Utilize applications that are delivered via the cloud.

The move to cloud computing continues. While security remains a concern for some companies, the benefits of the cloud model grossly outweigh the risks. Cloud computing can deliver enterprise-class functionality and technology to any business that wants it, regardless of size. Hosted applications deliver particularly compelling benefits as they make formerly advanced capabilities to small and medium size businesses. Some of these capabilities are truly transformative. For example, many companies are now able to take advantage of things like mobile computing as a result of the cloud. Cloud computing also delivers secondary benefits such as reducing total cost of ownership, as well as faster adoption and implementation cycles.

28. Place a premium on applications that deliver a compelling user experience.

Almost every business professional is now a regular user of information technology thanks to the ubiquitous nature of the Internet even in their personal lives. This has led to a profound change in business technology as employees recalibrate their expectations of the technology they use at work. With the consumerization of IT, organizations must be certain to invest in technology that is available on demand, without lengthy implementation cycles. Companies must also emphasize usability when evaluating new technologies.

“We experimented with the GoToMeeting HDFaces video conferencing capability for an executive team meeting. I expected the remote attendees would need some basic support to get started, but everyone connected without needing assistance. Even more important, attendees were really excited about the quality of the video and how easy it was to use.”

Tyler West

Senior Manager of Information Technology Services, Best Friends Animal Society

This is particularly true in areas such as Customer Relationship Management systems, collaboration, productivity, and human resources software where large numbers of employees without specific training use software on a regular basis.

29. Recognize that mobility is the future of information creation and consumption.

Mobility is one of today's top technology trends. According to CompTIA, 85 percent of executives work remotely at least occasionally and 53 percent work remotely frequently. Reliable access, the proliferation of tablets, and app development are making mobility a true and sometimes preferred alternative to working from the office. That means that employees and customers must be able to interact with a company's employees and applications using a mobile device. While large enterprises will spend an estimated \$174B on mobility in 2017, most companies are better off investing in applications and solutions that natively support mobile end users. Fortunately, many collaboration platforms ship with native mobile applications.

30. Embrace big data and big information.

Big data (or more generally big information) has the potential to enable better business decisions. The Internet, new forms of collaboration, and technology that captures an increasingly large amount of data are exposing data and information to companies at an ever-increasing rate. While the initial wave of information and data can seem overwhelming, the benefits of making decisions based on more information can be significant. It's important for organizations to adopt technologies that allow them to collect, share, and analyze information in an easy and scalable manner. Thinking about how the average employee would prefer to interact with and leverage such information is a good starting point for most companies.

Final Thoughts on the Collaboration Economy

In summary, business is changing at an accelerating pace due to a number of different dynamics such as the Internet, globalization, and social media. In order to succeed, businesses must become more collaborative in nature both internally with employees and externally with customers and partners. Collaboration can produce remarkable new opportunities for businesses to pursue, but it can also present daunting challenges that require real expertise and new technologies to overcome. The aforementioned best practices are designed to help businesses capitalize on the new opportunities and overcome the risks that a more collaborative economy promises to present.

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