

explore

BUSINESS'S BIGGEST CHALLENGES, IN DEPTH



THE SKEPTICAL CEO'S

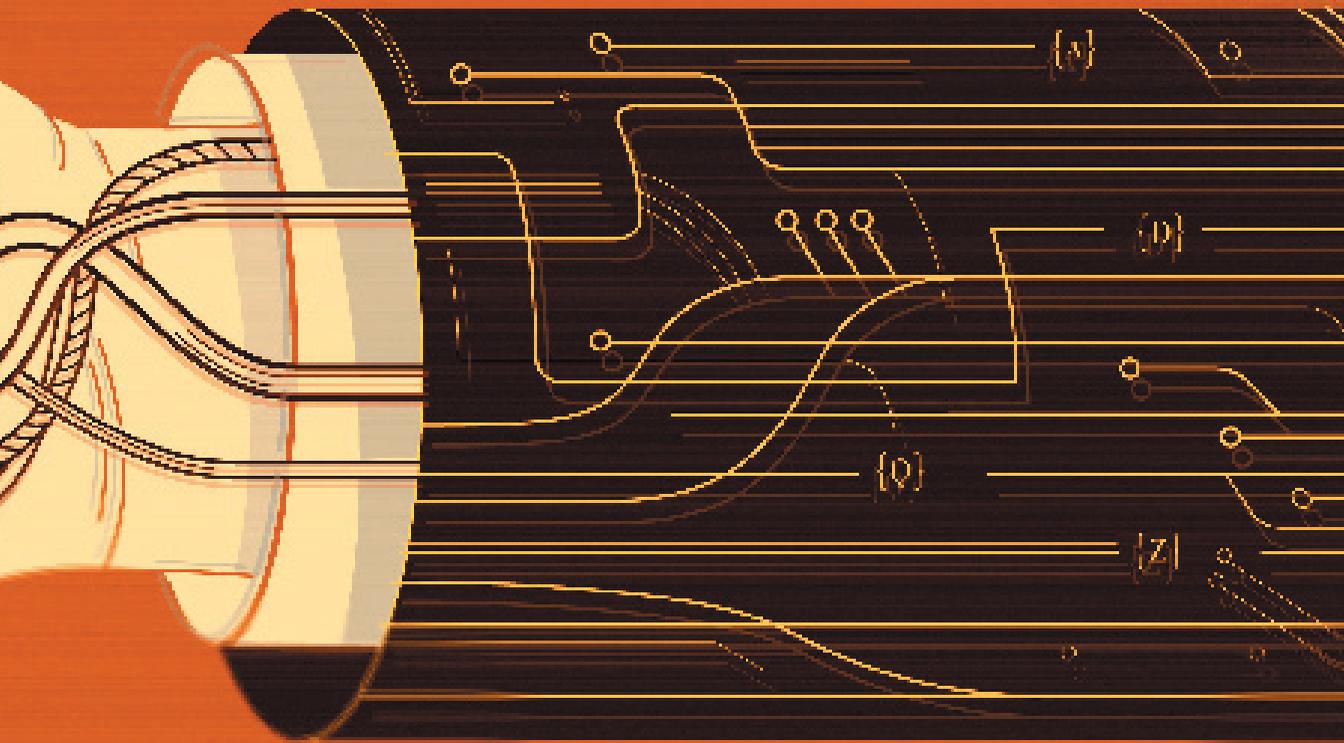
Forrester Magazine **breaks down the good, bad,**

» **IT USED TO BE SO SIMPLE.** If you wanted to reach a customer or send a message to employees, you would email, phone, or fax them, or put up a webpage. Now, a raft of new communications methods has arrived, each presenting itself as the perfect medium for getting the word out.

Look familiar? It should. Today's popular RSS (p. 39) technology is the latest version of "push," popularized by Pointcast. (Remember Pointcast? In 1997 it reportedly backed off from News Corp.'s \$450 million buyout offer

and was picked up by IdeaLab two years later for a reported \$10 million.) You're hesitant to pull the trigger on any of these "new" media without first making sure it's not just a bunch of hype. At the same time, you're starting to wonder whether you're moving too slowly and letting competitors gain an edge.

The good news is that you're not too late. You can still experiment with and master new media and not appear hopelessly behind the curve, except by the earliest adopters. Also, none of these media is going to break



GUIDE TO NEW MEDIA

and ugly of the new world of communications.

your bank, at least in terms of purchase price. Almost all are, as far as materials go, relatively low-cost endeavors that, if done correctly, can have a positive net impact on your relations with customers and colleagues, and make your communications efforts more efficient.

The bad news? The upfront costs of implementing these tools are low, but these new media require dedicated effort and regular attention

to be most effective. Don't underestimate the amount of time these require. There's also an awful lot of hype around most of these tools. None will heal a poor customer service record or instantly make your company appear hip in the eyes of a coveted demographic.

Consider what follows a skeptic's guide, a road map, to the emerging communications methods that now surround your business.

BY ERIC HELLWEG, WITH HARRIS COLLINGWOOD, MICHAEL DRUMMOND, JIMMY GUTERMAN, AND ERIK SHERMAN n Illustrations by Harry Campbell

Blogs



HYPE-OMETER: Celebrities from the A-list to the Z-list have launched their own blogs, suggesting that quality is never going to win the war against quantity in this medium.



COST: It may look cheap, but don't underestimate the investment of time.



READINESS: Your competitors have been blogging for months—sometimes about you. Where have you been?



OWNERSHIP: The communications director should do the heavy lifting, but take advantage of the relative star power of senior executives who can speak to an audience in a vivid, informal voice. (More buttoned-up types need not apply.)

WHAT IT IS

» Simplicity itself. A weblog, or blog for short, is a webpage or website onto which one or more operators post periodic entries. Many, but far from all, blogs permit some kind of reader feedback, usually in the form of comments to individual entries. Hard costs are minimal.

WHAT IT AIN'T

» A substitute for advertising, investor relations, or new product announcements. “My first advice for companies thinking of starting a blog,” says Forrester analyst and blogger Charlene Li, “is to ask, ‘What purpose does it serve that isn’t already being served in some other fashion?’”

General Motors launched its FastLane blog, featuring casual-style entries by Bob Lutz and other top GM executives, with three objectives in mind, says GM’s new media director, Michael Wiley. The GM team wanted to create a grass-roots conversation; to open a feedback loop; and to develop a fresh image for the company.

“It’s still in the fad category; it’s a fad you don’t want to overlook.”

It’s not something you can do in a few spare moments. “This is time consuming,” says Wiley, who figures FastLane and related activities take up two to three hours of an average day. All that effort to reach a handful of people: Forrester Research found this year that only 2 percent of Americans who go online read blogs even once a week.

Looking for a return on investment? Debbie Weil, author of the self-published *ROI of Business Blogging*, suggests focusing on traffic and search. That’s right. We’ve returned to the days of capturing eyeballs.

WHAT IS IT GOOD FOR?

» Blogs, says Microsoft CEO Steve Ballmer, are “a great way for us to communicate to our customers and for our customers, more importantly, to communicate with us. We trust our people to represent our company. That’s what they are paid to do. . . . [Y]ou don’t run any more risk letting someone express themselves on a blog than you do letting them go out and see a customer.”

Podcasts



HYPE-OMETER: Widely seen as another tool in the kit. It's just another type of Internet-based radio, not a new medium. The enthusiasm of early adopters isn't necessarily contagious.



COST: With a \$20 microphone and free sound-editing software, you're ready. Warning: A compelling five-minute broadcast can take hours of writing and recording time.



READINESS: All the audio tools are here, but things will become more interesting when video/audio podcasts arrive in greater numbers.



OWNERSHIP: In the age of Sarbanes-Oxley, the CEO will want oversight if it's his or her message that's recorded. By and large, though, podcasting can be left to marketing and technical staff.

WHAT IT IS

Recorded audio files available via the Internet for download to a computer or MP3 player. Subscribers to podcast-enabled sites can receive new files as they're posted.

WHAT IT AIN'T

Anything approaching ubiquitous. Although Forrester Research predicts podcasting will reach 12.3 million households by 2010, only about 500,000 households tune in today. "There's a lot of confusion, hype, and uncertainty about podcasting," says Forrester's Ted Schadler. Even though Apple Computer lists podcasts in its iTunes Music Store and Yahoo indexes podcasts, creating these files and finding an audience is still complex and time-consuming.

WHAT IS IT GOOD FOR?

It offers another way to communicate with employees, another channel to reach customers. Software maker Oracle this year began podcasting interviews with experts on technology topics. The company plans to offer podcasts of Oracle software certification training courses through its Oracle University site.

Gerald Buckley, product manager at the American Association of Petroleum Geologists, began podcasting for the organization in January. Regarded as the author of America's first corporate podcast, Buckley says the medium offers yet another method to retain the association's 30,000 paid members. Buckley says he initially used podcasting to show members "that we are progressive and embracing technology."

It's too early to measure podcasting's effectiveness in retaining paid members, says Buckley, noting that the association's podcasts are open to the public. Nonetheless, "it helps us get a message across to people who would otherwise ignore us," he adds. "Sometimes people respond differently when they hear a message vs. when they read a message."

But letting members know you're embracing technology is not the same thing as delivering something useful. As Forrester's Schadler notes, "Podcasting feels like the Internet first did: a whole new way of experiencing the world. But at the end of the day, radio is radio and consumers will only listen to things they find valuable."

Wikis



HYPE-O-METER: Compared to blogs, the buzz around wikis is barely audible.



COST: Open-source and public-domain wiki software is, obviously, free. Some early adopters grumble that you get what you pay for. Collaboration applications such as Socialtext are available for a setup fee of about \$10,000, plus a per-user fee of \$40 per month.



READINESS: The technology is here, but it looks suspiciously like a solution for a problem—how to promote collaboration—that really needs a business solution.



OWNERSHIP: Successful wikis are managed by team leaders, but ownership is shared by the entire team.

WHAT IT IS

» The term for collaboration software developed by programmer Ward Cunningham as well as the documents created using that tool. (*Wiki* is a Hawaiian word that connotes quickness and informality.) Public wikis, such as the popular Wikipedia online encyclopedia (wikipedia.org), can be written and edited by almost anyone. Wikis behind a corporate firewall can be written and edited by any team member.

WHAT IT AIN'T

» A vehicle for instantly creating a spirit of collaboration and shared ownership within an organization. Bottom-up in nature—wikis are typically created and maintained by enthusiasts and experts who use them to review and revise each other's work—they won't take hold in corporate cultures in which people are afraid to make a change without clearing it first with the boss. Norwegian business professor Espen Andersen frequently consults with corporations about tools such as blogs and wikis. He tells of advising one client, a heavy user of complex technology, to use wikis to enable people in the field to create and update standard operating procedures and user documentation. The client's senior managers vetoed the idea, suggesting that they didn't think line workers had anything to say about the equipment they used every day.

WHAT IS IT GOOD FOR?

» The Walt Disney Company, Motorola, and Yahoo use wikis to link people in different locations who are working on the same project. Wikis support rapid prototyping and error correction, and they can help eliminate what George Peden, a manager at interactive-TV developer Ensequence, calls "the 'I did not know I was supposed to...' type of thing."

Wiki software is easy to learn and use, but that doesn't mean managing a wiki is easy. Wikis will soak up as much time as you're willing to put into them. Corporate wiki managers must constantly monitor the documents under their control, both for quality of content and to make sure that team members are contributing. Managers must contribute so that the team knows the wiki is a priority, but they must be careful not to contribute too much, lest the wiki be seen as the manager's project rather than the team's.

RSS



HYPE-O-METER: Still awaiting no-brainer technology.



COST: Costs are chiefly from programming and from assembling the information that companies probably already have. Purina's expenses were in the low five-figure range.



READINESS: Estimate 18 months to two years before it's in widespread use.



OWNERSHIP: Right now it's typically the person who handles interactive marketing, but it should be the VP of marketing.

WHAT IT IS

» Data streams converging at your fingertips. Do you go to a newsstand every morning for the paper? No, you probably get it delivered, and that's the essence of what Really Simple Syndication (RSS) offers. A standard extension to markup language XML, RSS provides a mechanism for subscribing to different streams of information and having them appear in a single window. Users don't need to bounce from one website, blog, or email message to the next.

WHAT IT AIN'T

» Easy to use. Although RSS is simple in concept, it's much tougher in use. Right now, RSS reader software is for the technically savvy, leaving the adoption rates in the

single digits, according to Forrester's Li, who says it will be 18 months before penetration hits 10 percent. Widespread use will depend on software developers finding more seamless

ways to let people use the technology without thinking about it. Businesses will ask: If customers receive feeds, will they stop visiting the website behind each feed, thus reducing the size of the website audience, which drives current-model advertising? If so, expect dancing-baloney RSS ads soon.

No tool can heal a poor customer service record or make a stodgy company appear hip.

WHAT IS IT GOOD FOR?

» RSS is convenient and unfiltered. RSS is also timely, so it's good for information that customers deem important. Even more valuable, there's no reason to limit items to news. Nestlé Purina PetCare has been distributing veterinarian question-and-answer columns via an RSS feed. "It cost us [virtually] nothing to do this," says Michael Moore, director of the Purina Interactive Group. "It helps position the company as a little bit more forward thinking than some of our peers."

It's unclear whether any company is really seeing a payoff from RSS yet, but ignoring the technology is dangerous. The next version of Microsoft Windows will feature RSS support, so chances are that many more people will turn to RSS. Now is the time to build those relationships.

P2P



HYPE-O-METER: P2P still has to overcome its outlaw rep.



COST: Plenty of free peer-to-peer software is available. More secure, fee-based options are also available.



READINESS: Now.



OWNERSHIP: Low- to mid-level information technology managers.

WHAT IT IS

» Short for peer-to-peer, a method of file transfer whereby files are swapped directly among users. Unlike the client/server model, in which content is doled out from a main server, P2P networks rely on individual computers for content. P2P first came to media prominence in 2000, in connection with the Napster lawsuits, but has since morphed to include technologies such as BitTorrent, in which a large file is transferred in small, manageable chunks by multiple machines, thereby speeding up the file travel time.

WHAT IT AIN'T

» What it used to be. More than any other “new” media, P2P has a pretty bad reputation, much of it undeserved.

While it’s undeniable that previous P2P networks were pirates’ dens, corporations today use them for a variety of legitimate purposes.

“A lot of our customers use P2P for business applications.”

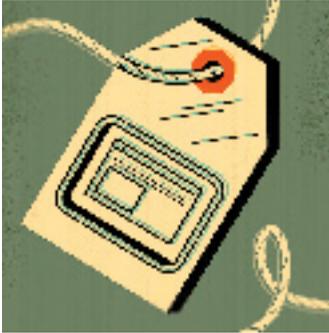
WHAT IS IT GOOD FOR?

» Companies primarily use P2P networks for moving large files to or from customers or clients using BitTorrent, the leading distribution tool. When Independent World Television, a Canadian independent news channel, announced its launch over the summer, it encouraged citizen journalists to upload newsworthy video files via BitTorrent. The venerable BBC offers much of its content via BitTorrent as well.

Musicians, no surprise, are tapping into peer-to-peer technology. The Decemberists, a literate critical favorite from Nebraska, aren’t big enough yet to get much airtime for their video. They weren’t content to let the video for the first single off their second album, *Picaresque*, sit on a program director’s desk, so the band (with permission from its indie label), re-released the video via BitTorrent for fans to download and distribute, helping seed interest in a subsequent nationwide tour.

“A lot of our customers use P2P for business applications where they have a workflow,” says Hillarie Orman, CTO with Shinkuro, a P2P firm that developed from a DARPA proposal. “You can control scale and the use of networking resources. It’s very easy.”

Metatagging



HYPE-O-METER: The cognoscenti love it and have adopted some heroes (see “Rediscovering Ranganathan,” page 69), but widespread adoption is slow.



COST: For an individual, this is cheap; one merely tags a blog as he or she goes along. But for a company with a catalog, dig deep.



READINESS: Not. Tools and best practices are still in their earliest stages.



OWNERSHIP: Adding the tags happens far down the org chart, but senior technology management needs to make the rules and draw the map.

WHAT IT IS

» A personalized way to store or find data. Metatags are keywords that page creators or visitors attach to sites or elements within them. Until recently, tags were found only in the “header” part of webpage code but now are available through easier-to-use web services. The keywords make it easier for Web surfers to find what they’re looking for.

WHAT IT AIN'T

» A particularly efficient or hierarchical way to store or find data. Tags allow people to add whatever terms they see fit, so the resulting categorization can be a bit noisy. “Tags are as imperfect as we are,” says Jeff Jarvis, director of the new media program at the City University of New York. “But if you want to think how the public thinks, tagging is a little window into that process. It’s still in the fad category, but it’s a fad you don’t want to overlook.”

WHAT IS IT GOOD FOR?

» Any company with sizable digital assets, such as large multimedia collections, can manage them better via metatagging. Indeed, Yahoo’s purchase of Flickr not only brought it a photo-swapping site, it also gave Yahoo control over one of the most active metatagging systems on the Net.

“When you have a sea of data, you’re going to need something better than search,” says Joshua Schachter, founder of del.icio.us, a site that lets users tag their website bookmarks for others to peruse. “Tags provide more traction to navigate the world.” Using del.icio.us, anyone can make their bookmarks public and see what sites other people have selected as interesting and how they described them. A CEO might think her site is a great repository of sales information for visitors, but a perusal of del.icio.us tags might reveal that visitors click to the site for its customer profiles.

Metatagging is for more than just web pages. Flickr shows how popular tagging can be for multimedia. You can make older digital assets more accessible and searchable; you can produce new assets with organization and quick, deep retrieval in mind. Metatagging a back catalog of digital assets can be a bear for its owner, but it can be a tremendous time-saver for customers and employees.