

Enabling the Smart Company

Harness the power of ICT

Introduction

Business behaviour is changing. The world is growing more compact and companies are becoming networked in an ever-changing environment. Increasing connectivity and competition puts increasing pressure on companies and their employees to be more productive and effective.

This external change sets increasing demands on the Swedish economy and the Public and Private sector enterprises. Companies are looking for ways to cope with the increasing focus on productivity and efficiency in a fluid networked global community. Sweden as a whole must cope with the paradigm shift from a production to a knowledge-based economy and the emergence of new market demographics across the globe.

In this context, TeliaSonera and Cisco as part of their co-operation in the area of “Business Class Cloud Services” carried out one of Sweden’s largest enterprise surveys ever, administered through TNS-Sifo with responses from more than 5000 enterprises across Sweden in the end of 2010. The survey showed us that there is a significant opportunity for Sweden and by extension the Nordic markets to reclaim the leader’s market space by creating new ways of working that encourage innovation, effectiveness and overall economic prosperity.

The Smart Company Survey

The survey covered all of Sweden and respondents included about 2000 ICT decision makers and another 4000 ICT end-users¹. Questions were asked regarding respondent perceptions of their organisation’s usage of mobile ways of working, social media, the use of virtual meeting tools like video and web-conferencing and customer service. The results showed that:

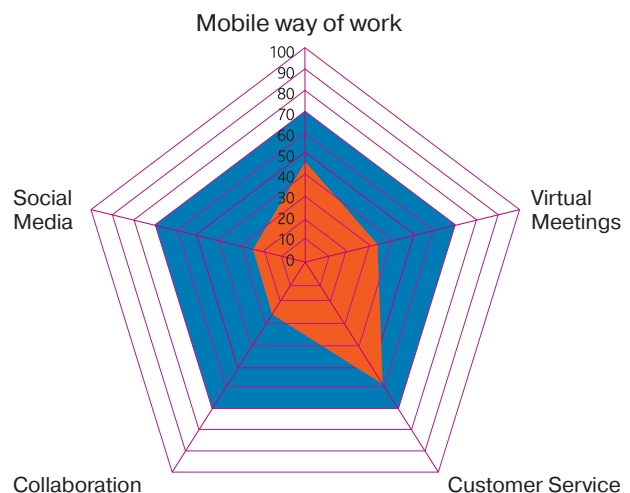
- Less than 50% of companies have a truly flexible way of working
- Less than 30% of companies use virtual meeting services
- Actual usage of tools to improve customer service (sharing documents, social media like Twitter and interactive customer chatting) is very low.
- A significant percentage of respondents see that the ability to work when mobile/not at the physical workplace leads to more motivated employees, and improves customer satisfaction.
- Respondents also clearly saw the connection between an increased use of virtual meetings and company profitability as well as the benefits of serving customers when customers want service.
- The benefits of social media are more seen as brand perception improvements rather than a tool for customer satisfaction improvements.

The Smart Company Index: Significant Untapped Potential

The significantly large sample size enabled creation of a “Smart Index” where companies were scored according to their response to specific questions.

The Index can be a value between 0-100 and is based on company scoring in responses related to 5 areas:

- Mobile ways of working (for example mobile email, mobile presence, remote access to the company’s intranet)
- Virtual ways of working (for example video meetings and web conferencing)
- Customer Service
- Human Collaboration capabilities (ability to give customers and/or partners access to shared documents and workspaces)
- Use of Social Media (Twitter, blogging etc)



■ Index target: 70 ■ Index today: 38

A positive answer was scored at 100 and a negative answer at 0. The total index is the average score for all respondents. **The average for all companies with 20 employees and more (SME’s to Large Corporates) in Sweden was 38.**

Certain sectors like banking and finance have a higher score (49 vs an average of 38) than other sectors. In general a correlation could be seen between company size and awareness as well as usage of virtual meetings and social media – the larger the company, the more the understanding and usage of productivity-enabling tools. It could also be seen that private sector companies see the relevance of improved customer service in the context of improved profits more than the public sector.

¹ The detailed survey result can be found at http://www.teliasonera.com/Global/Media/Cision/541854_SV_wkr0006.pdf

What makes a Smart Company?

Our premise is that tools that enable communications and collaborations regardless of time and place in a secure and easy manner make for better business. They enable collaboration and networking for innovation, free up much-needed time in today's frenetic connected life, and facilitate improved customer experience.

We define a Smart Company as one that has both recognised the opportunity (with tools like mobility, video and social media for productivity, collaboration and effectiveness improvement) and also implemented it into its daily life.

A Smart Company walks the talk. It helps employees to juggle their increasingly blurring work and personal lives more flexibly by enabling remote and mobile ways of working. It sees social media and virtual workspaces as tools that enable collaboration and communication like never before. It cares for the environment by promoting virtual conferences and having travel policies. And it uses all the tools at its disposal to put the customer first.

Its Good to be Smart : Productivity, Innovation and Customer Experience.

The evolution of society shows that human inventions enabling collaboration and sharing have been key engines for GDP growth. We have evolved amazingly quickly over 5000 years in our ways of communications and collaboration and the combination of video, social media and mobility will unleash a storm of innovation and collaboration like never before.

Society: A Communications and Collaborations Calendar 3500 BC – 2010 AD

B.C. 3500	Invention of the wheel.
B.C. 3200	Invention of writing in Mesopotamia
B.C. 3050	Invention of the wheel and plough
B.C. 1600	Modern alphabet invented.
B.C. 753	Foundation of Rome.

105	First use of modern paper.
730	Printing invented in China.
1088	First university founded in Bologna.
1455	First book printed with moveable type.
1822	George Stephenson and the train.
1844	"what hath God Wrought"
1860	Invention of the telephone.
1885	Benz develops first petrol driven car.
1903	Invention of the plane.
1945	End of Second World War
1959	Invention of the silicon chip.
1973	Invention of the Internet.
1989	Invention of the WWW; Berlin wall falls – demilitarisation of inventions.
2004	Invention of Facebook.
2006	Twitter.

While the advantages of video and social media as enabling collaboration in the cloud are obvious, the power of mobility to enable innovation needs more explanation. Mobile and flexible ways of working enable using "dead time" and balancing work and personal life better. This in turn frees up more time for people, allowing them the space that is needed to be able to think creatively and innovate.

Smart companies recognize this. They actively develop and foster a work culture of flexibility, collaboration, and interactive working. They promote teamwork and sharing. With colleagues, partners and customers. In a Smart Company, the customer comes first.

The Smart Company Index is part of TeliaSonera's and Cisco's joint Thought Leadership initiative and go-to-market co-operation on Business Class Cloud Services, enabling companies (Private and Public Sector organisations) in Sweden and Nordic Multinationals to improve efficiency and productivity through high quality and secure business class cloud services.

Business Opportunities for Smart Companies

There are many ways to harness the power of technology to create business value. Below we have outlined three main opportunity areas where there is significant untapped potential for companies in the Swedish market.

Opportunity #1:

Virtual collaboration – Drive productivity and efficiency meanwhile saving the environment Virtual collaboration is the ability to effectively meet and collaborate with customers, partners and colleagues without having to travel. Virtual collaboration solutions range from high-end in-person experiences to video web conferencing solutions.

Although the Smart Company survey indicated that only about 1/3 of Swedish organizations actively use virtual collaboration tools yet, those who do tend to create significant business value. There are numerous examples of companies and organizations across sectors achieving significant productivity benefits through virtual collaboration e.g.

- Automotive: Virtual collaboration increased R&D staff productivity by 18%
- Oil & Gas: Video collaboration solutions to significantly enhance remote operations
- Retailer: Virtual collaboration to increase internal collaboration efficiency
- Bank: Virtual collaboration tools to provide access to remote experts
- Cisco: Virtual collaboration tools reduced travel cost per employee >40%

Source: Cisco IBSG

Opportunity #2:

Real mobility – Unleash the potential of being able to work from anywhere Real mobility is at last possible due to high speed high quality networks like 4G and the explosion of smartphones and tablets in the market. This enables people to work anywhere and from any device, accessing their data in a secure way through high quality cloud –ready networks and services.

An example of efficiency improvement is how even a basic mobile service like mobile email can save up to 15 minutes of working time per day for a white-collar employee, making for about 5 hours of time-saving on average per month.

Source: Telia Sonera

Opportunity #3:

Cloud Customer Service – Leverage video and social media to enhance the customer experience Video and social media are powerful ways to enhance the overall customer experience.

Using video interfaces rather than just a phone call builds trust and enables better communication as the parties can see each other. This combined with social media enables an environment where employees can rapidly react to a dissatisfied customer's tweet with a video call or even video diagnosis and after-sales support including easy sharing and storage of relevant documents.

Facebook-type user interfaces also enable customer support at a new level, where employees and customers can see and comment on a thread rapidly and in close to real time.

Cloud customer service is about driving true customer intimacy by quickly and proactively connecting people with the information, expertise, and support they need.