The Business Value of Collaboration
As more enterprises are considering collaboration solutions as a means of improving organizational effectiveness and agility, executives are being tasked with developing a business case that justifies the investment.

There is much to be gained by greasing the wheels of collaboration such as increased employee engagement, productivity and efficiency, improved work processes, and reduced operating expenses, however, some executives may view these benefits and outcomes as enough grounds to transition to a more cohesive collaboration environment. Others may require more evidence to support the business case. Approaching the task from two angles: hard value (ROI, numbers) and soft value (anecdotes) may be the right combination to create a compelling justification for implementing collaboration solutions in the workplace.

### Hard Business Value of Collaboration

“Hard” value involves quantitative data and is typically financial. A Frost & Sullivan report, released in 2006, indicates that collaboration not only had the largest impact on overall company performance (36%), it overshadowed strategy orientation and market turbulence (see chart below).

![Collaboration Impact Chart](chart.png)

Also, consider a recent study conducted by McKinsey on the benefits of deploying collaboration tools and strategies (see next page). In the 2011 study, “How Social Technologies are Extending the Organization,” McKinsey looked at the use of collaboration tools aimed for internal customer and partner purposes.
The Business Value of Collaboration

Hard benefits clearly exist for organizations—we have seen this manifested in returns including decreased communications costs and travel expenses, new revenue-generated ideas contributed by employees, and overall increased employee productivity.

Intuit, a business solutions provider, reduced the amount of time it took to develop new products, while increasing the number of products that they produced and sold to customers. Océ, a global printing company, cut its annual intranet costs by over €300,000 and saved an additional €800,000 by implementing a single idea contributed by one employee. Vistaprint, a provider of marketing products and services to small businesses, decreased their new employee onboarding time by roughly 50%. Lastly, OSIsoft, a manufacturer of application software that deployed collaboration software for its 282-employee customer-facing technical support team reported a 22% average improvement in problem-resolution times within a year.

Soft Business Value of Collaboration

“Soft” value encompasses qualitative and anecdotal returns. Soft business value from collaboration can be considered much more valuable and crucial to business success then “hard” value. ROI alone is not good enough to really understand the value of collaboration in the enterprise because it does not permeate every facet of where and how your organization operates. Collaboration becomes “part of the sauce” for how your company operates and eventually it becomes impossible to distinguish collaboration activities purely from an ROI standpoint.
Soft Business Value Comes in Many Forms

Ease of Finding People and Information

It becomes much easier to find the people and the information that employees need to access in order to do their jobs. Reliance on email is significantly reduced and employees can spend less time searching and more time working.

Improved Company Morale

Employees feel more engaged with the company and fulfilled with the work that they do. Collaboration helps employees understand where and how they fit within the organization and how their contributions affect the company as a whole. Employees are able to build a network inside the organization, and are able to have a voice in the workplace to share ideas and help others. Learning becomes continuous and since employees are able to work more effectively while at work, reduced stress occur.

Strategic and Project Alignment

Since the organization is now connected via a central collaborative “nervous system,” relevant individuals receive the same messages and communications. Employees are on the same page in terms of the strategic direction of the company and specific projects that are being worked on. There is a single source of truth around work.

Improved Communication

Communication across the organization becomes centralized and is no longer reliant on email. Employees can now find people and information themselves, and are able to communicate more effectively across boundaries.

Fostered Innovation

Now that employees have a voice within the organization, they are able to share and collaborate on ideas that can lead to new ways to generate revenue, cut costs, or otherwise positively affect the organization. Innovation is a part of the lifeblood of every organization and being able to continuously come up with new ideas for products and services is a huge competitive advantage.

Serendipity

One of the benefits we see through this new type of emergent collaboration is the emergence of serendipity. That is, unexpected and unanticipated positive effects through collaboration. An example of this might be an employee sharing a valuable idea or being able to connect with someone they did not previously know. Serendipity actually occurs regularly within organizations investing in these collaborative tools and strategies.
What’s Next

So what’s your next step and where do you go from here? Here are some thought starters:

- By implementing emergent collaboration, consider what value your organization can benefit from, in the near term and long term?

- Identify which departments can leverage collaboration and map out how actions taken in this department can positively affect other departments.

About Chess Media Group

Chess Media Group is a management consulting and strategic advisory firm providing business strategy, program design, and implementation services to organizations on employee, customer, and partner collaboration.

Would you like to learn more? Contact us today at inquiries@chessmediagroup.com