EVOLUTION OF SOCIAL NETWORKS INTO VIRTUAL ORGANIZATIONS
By Pierre Coupet

Although modern social networks such as MySpace.com, FaceBook.com, Orkutt, LinkedIn, and XING are enjoying a great deal of notoriety and success these days due to their popularity with-- and wild embrace by--today's youth and the business community, their roots can be directly traced to Classmates.com and SixDegrees.com, both of which were formed in 1995 and 1997 respectively. In other words, it took 13 years for modern social networks to finally reach their peak--become ascendant--instead of some spontaneous explosion in popularity. Therefore, contrary to the idea that this is some sort of new Web 2.0 phenomena, this ascendant position most resembles the supernova stage of social networks and the beginning or emergence of a new phenomena.

The question now before us is: *What is this new phenomena and where do we go from here?* But before we can even attempt to answer that question, a brief evaluation of the usefulness of social networks and related user trends must be conducted with respect to the following user groups: (1) **The Personal User**, (2) **The Business User**, (3) **The Government User**, and (4) **The NGO User**.

Usefulness of Social Network to The Personal User

From a personal user standpoint, the social network is useful to 3 segments of personal users:

1. **The Magical Personal User.** The social network is a great safety net (or curtain to hide behind of) for those who are introverted and afraid, unable, or unwilling to easily enter into new relationships or form new friendships. Through the social network, this individual can--as if it were magic--instantly achieve the dream and illusion of having hundreds or thousands of "friends" with just a few computer keystrokes and mouse clicks. There are no risks of being turned down and no embarassments to suffer from. The person making the "friendship" request will never receive a "turned down" message, only good news that the request has been approved, which is usually the case.

   Magical Personal User Trends:

   a. **Social-Network-Hop.** The magical user tends to engage in social-network-hop by enrolling in as many social networks as possible and accumulating as many "friends" as time will allow.

b. **Lack of Active Social Interaction.** Outside of making the initial contact, very little time is spent toward nurturing any sort of friendship with any member of their group. In fact, our survey of social network members indicates that up to 99.5% of the initial contacts made by a member never result in any additional communication beyond the friendship-request-approved stage.

c. **Ghost Membership.** Once a number of friends have been accumulated, boredom sets in, resulting in very little to no additional footprint on the network.

d. **Excited by New Gadgets.** The magical user gets excited at the introduction of new gadgets that facilitate the making of new "friends"; that is, of course, until the novelty eventually wears off.

2. **The Practical Personal User.** The social network is a godsend for those who are extroverted, outgoing, charming, and charismatic; those who see this medium as an ideal avenue for easily entering into new relationships as well as forming new friendships for social or career enhancement purposes. This individual is not just content on accumulating a list of "friends", but will actually go through the effort of trying to make contact with as many like-minded group members at a meaningful level and in some fashion or another. This could be in the form of phone calls, emails, videoconferences, face-to-face meetings at a local level, or a combination thereof. This individual--a practical personal user--is not afraid to take risks and is very comfortable in his/her own skin.

   Practical Personal User Trends:

   a. **Limited Number of Social Networks.** The practical user belongs to a few social networks and accumulates a "manageable" number of "friends."

   b. **Active Social Interaction.** In addition to making the initial contact, a significant amount of time is spent toward developing and nurturing a "limited" number of new and "bona fide friendships" in anticipation of real payoffs from these interactions.

   c. **Active Membership.** The practical user is not only actively engaged in developing relationships but also has an interest in the overall development and success of the social network. Their footprint on the network extends way beyond their individual group.

   d. **Excited by Practical Gadgets.** The practical user gets excited at the introduction of "practical" gadgets that enhance the "relationship building" experience.

3. **The Rarefied Personal User.** The social network has very little appeal to those who, in general, are (1) more or less very static in terms of personal relationships, (2) indifferent to new technology and normally fall in the "late adopters" category, and (3) more or less maintain a very or sufficiently active brick and mortar lifestyle; which leaves them very little time for fiddling on the internet. Therefore, these individuals don't really feel the need to belong to a network. This individual--a rarefied user--is quite content to belong to one network with only a "handful" of "friends" that he/she will most likely never get a chance to communicate with.

   Rarefied Personal User Trends:

   a. **One or Two Social Networks.** The rarefied user belongs to one or possibly two social networks and accumulates only a handful of "friends."

   b. **Total Lack of Active Social Interaction.** Outside of making the initial contact, no time is spent

developing or nurturing any sort of friendships or relationships.

c. **Ghost Membership.** Outside of making the initial contact, additional footprint on the network ranges from nil to none.

d. **No Interest in New or Practical Gadgets.** The rare user is neither impressed with, and nor cares about, new or practical gadgets.

Usefulness of Social Network to The Business User

From a business user standpoint, the social network is useful to 3 segments of business users:

1. **The Baffled Business User.** The social network is a very complex and confusing landscape to those who are aware of its potential benefits but nonetheless are baffled as to how they can tap into this powerful medium to increase revenues. They are intimidated by social network rules and regulations; are afraid of being accused of spamming or engaging in advertising and "self-promotion." Just as parenting is something that one learns on the job and no parental training courses are required in order to have children, so it is for the baffled user who aspires to be a "social network marketer."

   Baffled Business User Trends:

   a. **Social-Network-Hop.** The baffled user tends to hop from one social network to another without any clear sense of direction or business strategy. Their motto is "make friends and let's see what happens."

   b. **Lone Ranger Effort with No Corporate Buy-in.** Typically an individual effort and not part of an organization's business development strategy and budget allocation.

   c. **Engage in Useless and Idle Chatter.** The baffled user believes in the Network Contributor Myth which espouses that your primary reason for becoming a member of a social network is to freely contribute your knowledge and expertise and that any business communication which falls outside that scope may be considered spam, advertising or self-promotion. As a result, the baffled user is left with no choice but to engage in a lot of useless and idle chatter that makes no business sense whatsoever.

   d. **Reluctance to Seriously Engage.** Outside of making the initial contact, very little time is spent toward nurturing any sort of "serious business relationship" with any member of their personal network due to a genuine fear of being labeled a spammer, advertiser, and self-promoter. But, most importantly, the reluctance is due to the fact that the baffled user does not really know how to organize their personal network and where to begin. In fact, our survey of social network members indicates that up to 99.8% of the initial contacts made by a baffled business user never result in any "serious business communication" beyond the friendship-request-approved stage.

   e. **Ghost Membership.** Once a number of friends have been accumulated and the baffled user is left with disappointing results in terms of both time spent and financial results, boredom and the resignation of failure sets in, resulting in very little to no additional footprint on the network.

   f. **Excited by New Gadgets.** The baffled user gets excited at the introduction of new gadgets that facilitate the making of new "friends"; that is, of course, until the novelty eventually wears off and the typical wasted time and disappointing financial results set in.

2. **The Transformative Business User.** The social network is a godsend for those who: (1) are intelligent, forward-looking, astute, bold, daring, outgoing, charming, and charismatic; (2) understand the power of

this medium to transform lives, businesses and industries; and (3) see it as an ideal avenue for easily entering into new and lucrative business partnerships and alliances, as well as form powerful friendships. This individual--the transformative user--is not only content with accumulating a list of "friends", but will actually go through the effort of mining all contact data for strategic research and business development purposes; as well as initiate appropriate contact with targeted group members at a meaningful level and in some fashion or another. This could be in the form of phone calls, emails, videoconferences, face-to-face meetings at a local level, or a combination thereof. This individual is (1) not intimidated by arcane or nonsensical network rules, (2) is not afraid to "sell", (3) is willing to take acceptable risks, and (4) is very comfortable in his/her own skin.

Transformative Business User Trends:

a. **Limited Number of Social Networks.** The transformative user belongs to a few social networks and accumulates a "manageable" number of "serious and bona fide friends."

b. **Part of a Coordinated Business Strategy with Corporate Buy-in.** The transformative user is able to evangelize the benefits of the social network to the powers that be and able to secure social network marketing as a line item in the overall marketing budget.

c. **Active Social and Business Interaction.** In addition to making the initial contact, a significant amount of time is spent toward developing and nurturing a "limited" and "qualitative" number of new and "bona fide friendships" for both short-term and long-term economic benefits.

d. **Focus on Organizing Group or Personal Network.** The transformative user focuses on implementing a coordinated and concentrated effort to organize their group or personal network for business development purposes. Primary means of interaction include audio or web-based teleconferences and local face-to-face events.

e. **Active Membership.** The transformative user is not only actively engaged in developing relationships but also has an interest in the overall development and success of the social network. Their footprint on the network extends way beyond their individual group or personal network.

f. **Excited by Practical Gadgets.** The transformative user gets excited at the introduction of "practical" gadgets that enhance the "relationship building" experience.

3. **The Reluctant Business User.** The social network has very little appeal to those who, in general, are (1) entrenched in the old tried and true ways of doing business and are currently relatively successful or star performers; (2) are technology agnostic or indifferent to new technology and normally fall in the "late adopters" category; (3) more or less maintain a relatively fast-paced to very hectic brick and mortar schedule which leaves very little time for experimenting on the internet; and (4) are reluctant to take risks which could impact their careers. This individual is quite content to belong to one or two networks with only a "handful" of "friends."

Reluctant Business User Trends:

a. **One or Two Social Networks.** The rare user belongs to one or possibly two social networks and accumulates only a handful of "friends."

b. **Total Lack of Active Social Interaction.** Outside of making the initial contact, no time is spent developing or nurturing any sort of friendships or relationships.

c. **Ghost Membership.** Outside of making the initial contact, additional footprint on the network ranges

from nil to none.
d. **No Interest in New or Practical Gadgets.** The reluctant user is neither impressed with, and nor cares about, new and practical gadgets.

Usefulness of Social Network to The Government User

From a government user standpoint, the social network is useful to 2 segments of government users:

1. **The Information-Centric Government User.** The social network is a magnet for government administrators and members who are primarily interested in either sharing, disseminating, or obtaining info among and across related groups or silos of interest.

   Information-Centric Government User Trends:

   a. **One or Two Social Networks.** The information user belongs to one or two social networks; is more interested in being part of a group instead of accumulating a long list of "friends."
   b. **Moderate Social Interaction.** A moderate amount of time is spent toward developing a "limited" but "qualitative" number of contacts for information sharing purposes.
   c. **Active Membership.** The information user is actively engaged in either obtaining, sharing, or disseminating info on the network.
   d. **Interest in New and Practical Gadgets.**

2. **The Organizational Government User.** The social network is a bedrock of innovation for technologists, a Shangri-La for policy makers and administrators dealing with and seeking solutions to complex issues.

   Organizational User Trends:

   a. **One Corporate Social Network.** The organizational user belongs to one corporate social network acting as an internal "think tank"; is primarily interested in leveraging the corporate social network for organization-related needs.
   b. **Part of a Coordinated Organizational Strategy.** The organizational user has a specific mandate from the powers that be to leverage the power of the social network in an organized fashion in order to attain organizational goals.
   c. **Extensive Social Interaction.** An extensive amount of time is spent toward developing a "qualitative" number of contacts in order to achieve organizational objectives.
   d. **Active Membership.** The organizational user is an active and integral member of a team with clear and well-defined objectives; a sort of collegial body.
   e. **Interest in New and Practical Gadgets.**

Usefulness of Social Network to The NGO User

From an NGO (non-profit organization) standpoint, the social network is useful to 2 segments of non-profit users:

1. **The Information-Centric NGO User.** The social network is a magnet for NGO administrators and

members who are primarily interested in sharing information with their members and donor base as well as the facilitation of a flow and exchange of information between donors and management.

Information-Centric NGO User Trends:

a. **One or Two Social Networks.** The information user belongs to one or two social networks; is more interested in being part of a group instead of accumulating a long list of "friends."
b. **Moderate Social Interaction.** A moderate amount of time is spent toward developing a "limited" but "qualitative" number of contacts for information sharing purposes.
c. **Active Membership.** The information user is actively engaged in either obtaining, sharing, or disseminating info on the network.
d. **Interest in New and Practical Gadgets.**

2. **The Fundraising NGO User.** The social network is the holy grail for fundraisers seeking to establish and maintain an active and loyal donor base via instant and interactive online communication.

Fundraising NGO User Trends:

a. **Issue-Oriented Social Networks.** The fundraising user belongs to a limited number of issue-oriented social networks and is very interested in accumulating a long list of "friends."
b. **Active Social Interaction.** A significant amount of time is spent toward developing an qualitative list of contacts for fundraising purposes.
c. **Active Membership.** The fundraising user is actively engaged in either obtaining, sharing, or disseminating info on the network.
d. **Interest in New and Practical Gadgets.** The fundraising user is particularly interested in tools that will advance donor database collection, donor giving and donor loyalty.

The New Phenomena: Virtual Organizations

So what is this new phenomena we speak of and why is it so important in the overall scheme of things? This new phenomena is a trend toward organizing these social networks in such a way that they begin to slowly take on the characteristics of a virtual organization, which we'll discuss later in greater detail. What is more surprising is the fact that this trend flows from both directions: the social network and the user. However, that being said, this trend is only applicable to a certain segment of personal, business, government, and NGO users--as described above--and they are as follows: (1) **The Practical Personal User**, (2) **The Transformative Business User**, (3) **The Organizational Government User**, and (4) **The Fundraising NGO User**.

Now, that we know who these virtual organization trendsetters are, let's talk briefly about 3 of the 5 main characteristics of a virtual organization they are beginning to exhibit, albeit in some crude fashion or another: (1) **Structure**, (2) **Discipline**, and (3) **Communication**.

STRUCTURE. With respect to structure, we're beginning to see the formation of a rudimentary organizational structure--a GlobaLocal structure--within some of these social networks, social network groups and personal networks of individual members. Let's review examples of 3 different types of GlobaLocal structures:

The GlobaLocal Network Structure:

The GlobaLocal Network Structure is an organizational structure setup at the social network "corporate" level that is designed to directly benefit the organization as a whole. For example, XING, a social business network based in Hamburg, Germany, has in place an Ambassador program which establishes "official" XING groups at the local level in major cities worldwide; for the primary purpose of organizing "official" offline events designed to plant solid physical roots--as well as to promote the XING brand--at the local level. It is a formal relationship with rules, regulations and performance criteria.

The GlobaLocal Group Structure:

The GlobaLocal Group Structure is an organizational structure set up at the social network "group" level that is designed to benefit a particular group within the social network. In this particular example, SICU (Synergy Integrated - Connects the Unconnected)--a group within XING--has formed a rudimentary version of a virtual organization titled "SICU SSG" (SICU Synergy Solutions Group) so that members of the group can effectively form highly dynamic "think tanks" and "service cluster teams" that allow them to (1) develop a shared strategy; (2) make use of their combined resources, core competencies, creativity, and connectivity; and (3) rely heavily on each other in order to accomplish their mission and stated business goals.

GlobaLocal Personal Network Structure:

The GlobaLocal Personal Network Structure is an organizational structure set up at the "personal network" level of an individual member that is designed to primarily benefit that member. This personal network consists of "friends", whether or not they belong to any group on the network, who have requested to be connected to that individual member and become part of their "personal network." In this example, Jane Doe (fictitious name of a real person) seeks to establish weekly and monthly online and offline meetings with certain members of her personal network on XING in order to energize her base of contacts and generate mutually beneficial opportunities. These meetings are consistent; highly organized; have a clear agenda; and are focused on performance and results.

DISCIPLINE. No organization can exist without discipline. In all three (3) previously cited examples of structure, they all seem to strive, more or less, toward the adoption or maintenance of some level of discipline although they are not really sure as to how far they can go and how much to impose. Discipline--whether it is self-imposed or externally imposed; or online vs. in a brick and mortar environment--is a necessity for any type of organization.

COMMUNICATION. Effective and consistent communication, as well as the proper means of delivery, are a "must" in a virtual environment. Again, as noted in all previously cited examples of structure, today's available tools (i.e. free or very cheap long distance phone service, free teleconference, free web-collaboration tools, 'e.g., Skype, GoogleDocs, Yugma, Microsoft SharedView') are more than enough to facilitate communication and cooperation between all parties. All that remains to complete the circle is an effective communicator with excellent verbal, written, and oratory communication skills.

We will not attempt to cover the two (2) remaining main characteristics of a virtual organization since they fall outside the scope of this discussion, however, more information regarding virtual organization management can be obtained at http://www.virtualorganizationinstitute.com

So Where Do We Go From Here?

Without a doubt, social networks are on a slow march toward an inexorable quest to virtual organize out of practical and economic necessity. Although this march is currently being spearheaded by an elite group of networks and users, as well as the leading virtual organization management education provider, Virtual Organization Management Institute, the next five (5) years portend to be an exciting period of growth and maturation for social networks and the virtual organization industry as a whole as these networks metamorphose and evolve into virtual organizations. This period of maturation will lead to a broad acceptance and adoption of virtual organizations by all existing and new social networks as well as all classes of users within the next 8-10 years. History is being made and it's really an exciting time for all.

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