

NETIDME WHITEPAPER

**INSTANT MESSAGING:
THE BUSINESS OPPORTUNITY**

Introduction

Whatever your company's stance on Instant Messaging (IM), the chances are that its use is already prevalent in your organisation, and will only become more so over the coming months.

Market analysts confirm that use of IM is exploding in companies, growing at double the rate of email when it enjoyed similar novelty. Even firms that have tried to banish IM applications from their offices, out of concern for lost productivity or data sensitivity issues, typically find that employees are still using it in some form - most likely using public web-based tools to overcome company restrictions.

As a result, forward-thinking companies are discovering that the best approach to the situation is to *embrace* IM, rather than try to remove it from the business - on the basis that, if you can't fight it, it's better to make it work for you rather than against you.

This approach can pay dividends. IM is becoming the social tool of choice of the current and upcoming generation of young workers. This means that, as with email and Internet access, the workforce of tomorrow will expect to be able to communicate in real-time, using IM, in their professional lives, as well as in their personal lives.

There are many additional benefits to forward-thinking companies that embrace IM now, too. Applied as a business tool, IM has the power to transform team working, making employees more productive.

This is because everything that appeals to users about IM in their personal lives offers equivalent benefits in a work context. These include:

- ♦ The ability to see when colleagues, suppliers or even customers are available for immediate, non-disruptive contact
- ♦ The ability to collaborate electronically, in real time, with multiple colleagues
- ♦ The ability to share large files quickly and easily

The challenge for organisations is establishing how to harness these features to their maximum advantage in a business context.

A Force to be Reckoned With: The Rise of IM

In recent years, Instant Messaging (IM) has spread across businesses at a lightning rate - faster than any other communication tool.

In the US, which is typically ahead of other markets on technology adoption and provides an important indicator of what's coming next in the UK and the rest of Europe, roughly a third of employees actively use Instant Messaging at work ⁽¹⁾. Indeed, international analyst firm Gartner predicts that Instant Messaging will be the de facto tool for voice, video and text chat for 95% of employees in leading companies within five years ⁽²⁾.

IM's attraction is its immediacy. It is the electronic equivalent of phoning someone, yet with the added advantage that it's less intrusive (it won't interrupt someone when they don't want to be disturbed), can be used to contact more than one person simultaneously, and can be combined with sharing other content (text, electronic files, photos, video). Better still, users can see straight away who else is 'present' and contactable at any given time - so that if one colleague is busy, they can ask someone else,

instead of waiting passively for someone to get back to them at an unspecified time in the future.

In their personal lives, this has allowed groups of friends to organise their social lives and share photos, art, music and videos, effortlessly. In the business world, it enables teams of employees to accomplish more, sooner. Questions can be answered immediately (with the result that sales people and customer service representatives can get responses to customers more promptly), and informed decisions reached more swiftly.

IM is a lot like email, yet without many of email's disadvantages:

- When users send emails, often they have no idea if they have arrived, been read or ignored - or whether the other person is even there to receive them
- Email tends to be a one-to-one medium, unless users engage in lots of cc'ing or message-forwarding
- Even with the fastest broadband pipe, email is not a real-time conversation - if the user isn't there, a response may not come back for 24 hours, or a week or more
- Unless an auto-responder has been set up, or receipts have been requested and granted, the sender has no way of knowing if their communication has been received
- Even with a fast broadband connection, there are usually restrictions on the sizes of files that can be sent over email without requiring zipped attachments

IM in Action

Imagine the scenario. A customer service organisation finds itself threatened with being overloaded during a peak business period during the year. It has two choices: make customers wait and risk losing their business, or plug the staff gap

- quickly. Using Instant Messaging, the management and its recruitment agency are able to line up additional resources within hours. Falling back on email and phone calls, the same process could take days. Its little wonder IM is infiltrating and revolutionising the workplace.

IM began to take off when employees began sneaking it into the office in the late 1990s to have 'live chats' with their friends.

Today, increasing numbers of companies are proactively endorsing it, preferring to embrace and control it as a tool, rather than turn a blind eye to its existence, or hoping to stamp it out by legislating against its use with tough company policies.

Interactive Teams

Instead of losing employees' time to personal networking, these organisations are finding to their relief and surprise that productivity is increasing. This is because, being faster and more casual than email, Instant Messaging can foster broader, more flexible and timely collaboration among employees.

IM applications offer some handy additional features too, such as the ability to organise contacts into categories. This is in addition to the standard facility of being able to determine who is online and available to chat at any given time - whether they are based in the same office, at home, in another company, or even abroad.

With most IM programs, users can start real-time conversations with multiple participants simultaneously. Sending a message opens up a small window on the participants' screens, where users can type in their real-time messages. Most programs also offer file-sharing, voice and video features. IM can be used on computers and on wireless devices such as mobile phones or PDAs.

Choosing the Right IM Platform

While there are many popular consumer-level IM applications, such as Windows Live Messenger, AOL Instant Messenger and Yahoo Messenger, organisations choosing to lead and control the practice of IM are turning increasingly to IM applications that have been designed specifically for business purposes.

As well as ensuring that any communication over IM is secure, and complies with data protection and other company and industry regulations and policies, special business-focused IM tools offer other benefits too - such as the ability to store and archive IM conversations. This may be important for legal reasons, as well as for maintaining an audit trail of workgroup, supplier or customer conversations which staff may need to search and retrieve at a later date.

Connected Teams Make Stronger Teams

While business managers are often made nervous by applications that encourage staff to spend even more time chatting and being distracted from the task in hand, especially those which might be seen to introduce an additional information sensitivity vulnerability, the right IM solution will dispense with these concerns, and ensure that the gains far outweigh any unlikely risks that might be anticipated.

It should also be remembered that a team that connects well will form a stronger bond, and work better together. Where teams are dispersed across different floors in a building, across different offices, and even large geographical areas, it is more important than ever to create strong lines of communication.

IM can also break down hierarchies, where these have the potential to create psychological barriers between co-workers. Senior managers can use the medium to informally seek employee feedback, or be fed constructive suggestions of how to improve internal practices. This is helpful both to employees who feel more included in decision-making, and therefore more valued and motivated, and to managers who retain a valuable, day-to-day connection to their workforce.

Bridging Distance

As workforces become increasingly dispersed, with employees spending more time on the road, or working from home, Instant Messaging offers a natural defence against isolation, helping them to feel included - and that their personal participation and progress from their far-flung location is being noted and appreciated. (A side benefit is that managers may feel they also benefit by clawing back some control over employees who might otherwise treat themselves to extra time under the duvet if they felt less 'under surveillance' when working from home...)

Instant Messaging also provides an easy means for staff to draw busy managers into meetings and discussions where their immediate input may be critical to progressing the discussion to the next stage, or reaching a decision. Instead of having to schedule a further meeting for the future, stalling the outcome, a manager (if available to be reached for two minutes here and there) could be called into the discussion - effectively through the use of IM as a pager, prompting them to phone into the meeting at a particular point where their input is needed, or to feed back a live, electronic response to a specific query.

The gains here are clear: the manager saves valuable time by being able to participate in meetings without having to give up an hour or more each time, or be physically present at the same location. Meanwhile, for the team conducting the meeting, items on the agenda can be progressed quickly to a satisfactory conclusion, with fewer decisions 'pending'.

A Word on Security

So what about the security implications, if there are any? According to a Burton Group report ⁽¹⁾, only 10% of organisations have formal IM policies - and only half of that percentage has actively secured the application against information leakage or vulnerability to malicious attack.

The employees themselves are unlikely to realise that this could be an issue. They see IM as an extension of email, and therefore assume it is as secure or insecure as the latter. But is it? This depends on how much control the company has over the IM application being used by its staff, and whether they have set down any formal policies and protection.

Unprotected IM can allow viruses, Trojans and other malware to infiltrate company networks much more readily than email attachments. IM messages may contain links to malicious Web sites, while Spam over IM (SPIM) is a time- and space-consuming problem that all organisations could do without.

Where use of IM has been extended to encompass external users (such as business partners, suppliers or customers), this can pose a danger to the company, not only through vulnerability to spam and viruses, but via unauthorised access to sensitive information, the danger of falling foul of compliance/records management policy, and the risk of transmitting salacious content.

Forewarned is Forearmed

The good news is that business-specific IM applications exist which inherently incorporate security measures to ensure that information shared over the IM platform is as secure as that sent over email, and that the network is protected against all other Internet and messaging predators.

A properly protected IM solution of this nature means that firms can enjoy all of the many business benefits of IM, just as they do with email and the Internet, without having to worry that they may have introduced another source of vulnerability into the company.

But this in turn means that businesses need to plan proactively for their firms' use of IM - taking control of the situation and leading and legislating from the front, rather than attempting to work backwards with whatever is already on their users' machines.

Data privacy is likely to be the biggest concern for organisations, so companies are well advised to standardise on a business-specific IM solution that incorporates features such as data encryption. This prevents information from falling into the wrong hands, as unauthorised recipients would not be able to decipher the content.

Determining the Value of IM: Building the Business Case

While it's easy to see how IM could transform the productivity of a business, how can a firm set this down in terms of a tangible return on investment (ROI)?

Developing a business case for IM involves looking at a number of factors which assess the current productivity of the business, for example:

- How much time is lost to meetings, especially the time of high-paid executives, which may be in short supply?
- To what extent is the company's competitive edge at risk due to the inability to deliver responses and finished orders to customers faster and more cost-effectively than rival providers?
- What are some of the hidden costs of having a more dispersed, mobile, and home-working workforce? (for example, delayed decision-making; protracted project times due to the inability to collaborate and share documents readily; problems scheduling and progressing the outcome of meetings)
- The cost of time wasted as staff call and leave messages on office and mobile voicemail, as they try (and often fail) to get rapid answers to burning questions when they need them

While the real value of IM is hard to quantify, few managers have difficulty appreciating the potential gains associated with being able to meet and exceed customers' expectations with information, quotes and delivered products and services. Similarly, it isn't difficult to see the benefit of being able to undercut a competitor or restructure a deal while an opportunity is still on the table.

The main benefits of IM, then, lie in:

- Rapid information dissemination
- Faster, more immediate decision-making
- Being more responsive to customers
- The ability to achieve more in meetings - and without busy managers needing to attend each time
- Motivating and including dispersed or home-based team members, improving remote collaboration and individual and team productivity

In short, IM accelerates business cycles, and maintains a close, collaborative team culture. It is in these terms that IM champions must present the case to senior management, enabling them to appreciate the difference the capability could make to the top and bottom line.

In addition, more tangible cost savings can also be highlighted in the form of:

1. Savings on phone calls:
 - As well as being less intrusive, IM can replace some phone calls (where email won't do the trick because it's not as immediate), cutting the number of calls to mobiles, or to international destinations
 - 'Presence' information saves time lost to 'telephone tag', where users leave a trail of messages on each other's voicemail, potentially arriving at a situation where email might have been quicker...
 - Assembling team members for a quick IM-based conference is faster and less expensive than coordinating and chairing a phone conference, especially if international colleagues are involved (IBM, which generates up to 3.5M IM messages each day internally, claims IM traffic has reduced its phone costs by as much as 4%, while reducing travel costs).

2. Supplementing other communications media, to make overall contact more efficient - for example, IM can be used to clarify points in real time, to multiple colleagues, while a phone-based conference is underway
3. Immediacy - while email messages can pile up or be missed altogether, IM typically results in immediate responses when users are 'present'. This can cut through protracted decision processes, disseminating vital information quickly, boosting sales, improving customer service and accelerating problem resolution.
4. Reinforcing team culture - IM supports the 'virtualisation' of workforces, retaining a sense of inclusion for those working apart from the core of the team.
5. Tracking down colleagues - IM-to-SMS gateway services are gaining popularity for routing instant messages to mobile phones, which is especially useful in service desk or similar situations.
6. Locating experts - IM systems can put workers in touch with available experts, quickly, even allowing them to poll multiple experts at the same time. (Businesses have found that they can increase the number of successful Web transactions if they make a sales expert available when a customer is stuck on a Web site. Some studies have shown that, when the sales team has ready access to expertise, success rates rise by up to 5%!))
7. Self-service - person-to-machine IM services, which enable users to ask virtual agents for information on a particular topic, speed up business cycles and reduce the cost per transaction, by increasing the self-service element of an enquiry.

[Source: Gartner/META Group, 2004⁽³⁾]

Conclusions

Anyone doubting the importance of Instant Messaging need only look at the Internet, email, mobile data and wireless technology for evidence of what can happen when the business world wakes up to technology's potential.

All of these milestone developments were met with scepticism and fear when they first emerged, yet typically it has been the early adopters that have reaped the greatest rewards - those that have overcome out-of-proportion objections to embrace the competitive benefits and new opportunities the advancements have offered them.

The industry analysts have no doubt that Instant Messaging is as defining a technology advancement as email. There is no question of IM replacing email; rather, IM sits alongside email and the phone, as part of an integrated communications strategy, which harnesses each channel (or the optimum combination of channels) according to the given circumstances.

Organisations have two choices, then, in their approach to IM: legislate against it and hope for the best; or take control and ensure that IM works to the good of the business. The consensus appears to be that the latter approach will prove to be the most prudent, promising potentially rich rewards to those that channel it to best effect.

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About NetIDme:

NetIDme is a leading provider of digital identity and security solutions, designed to help protect both individuals, and organisations, when communicating via the internet.

The company's secure web messenger service, ChatSure, is used in a wide range of organisations worldwide, from SMEs to Fortune 100 companies. For more information or a quick demonstration of ChatSure, visit chatsure-enterprise.com

Founded in 2004, NetIDme is a privately held company with its headquarters in Glasgow, UK, & offices in Australia, Canada, & the United States. For more information visit the corporate website: netidme.net

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