*This is a guest post by Frans van der Reep, Professor at InHolland University.*

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**Social Companies**

The Internet is changing the way we organize work. It is shifting the requirement for what we call the ‘schedule push’ and the hierarchical organisation that it implies, and therefore it is removing the type of control that is conventionally used to match resources to tasks, and customer demand to supplies and services. Organisational hierarchies have become too expensive to sustain, and in many cases their style of coordination is simply no longer necessary. The cost complexity of the industrial complex starts to outweigh the benefits and the Internet is making it redundant.

My expectation is that within five years this will have a major impact on the corporate organisation. Jobs will be lost from the hierarchy and the jobs that remain will be very different. Instead of more ERP-supported supply chain management, employees, and eventually customers, will be the project managers of their own work – a concept that I call ‘reality pull’. Big organisations only survive in a dynamic market by redesigning at least the organizational front-office into small autonomous units that can quickly react to volatile customer demand. Small cells can quickly respond to the market, but use the big corporate database and expertise. They can combine the advantages of a big company with the advantages of a small company .

This is where corporate social networking enters the picture. Of course, Twitter and Twitter lookalikes such as [Yammer](http://yammer.com/) are not only tools. They are open source means to make the world much more transparent in terms of knowledge transfer and finding your pals. They allow you and me at an even lower price to find our peers and pals, enlarging our ability to pool, ally and link, thereby enhancing our capability to create goal –oriented communities, networked organisations and focused action. Moreover, twitter allows for ‘the real time Internet’, beating search engines by days in terms of quick, real time response capabilities.

P2P banking, like [Zopa](http://uk.zopa.com/ZopaWeb/) or [smava](http://www.smava.de/), may serve as an example for this development towards social companies. An example for the real time internet: for traditional newspapers twitter may serve as a new and cheap alert system for breaking news for their subscribers: just post a tweet.

What is then the basic shift companies have to make to become a viable 21st century company? My guess is that where cooperation in the 20th century basically is a non-personal top-down, management driven calculation ( ‘scientific management’), it will evolve into a bottom-up personal decision. Lean and mean will become lean and meaningful.

The game will be more and more about personal presence and personal branding. Not about the ego driven: ‘I’m special’, but about fostering the ‘I’m unique’ attitude. Not about schedule push mass solutions but about reality pull, personalized solutions appreciating diversity. The non-personal top-down planning and strategy approach will be at least partially replaced by personal and continuous prototyping and ‘perpetual beta’, thereby each of us turning into an action driven entrepreneur of our own talents and forcing us to leave our safe job titles: be willing to experience.

More and more companies will not be focused on continuity but on flexibility. Many companies will therefore have the character of temporary projects, creatively destructing itself.

I feel corporate social networking facilitates and accelerates this development towards a value-based network-centric attitude. It will force companies to become even more networked and therefore more human centered as this co operational attitude fiercely reduces business operating cost. Current big companies, the corporates, will probably in the short run evolve into financial holdings, enabling 21st century human centered social companies creating a personal age for its members.

Of course, one of the challenges is to relate this 21st company to the existing arena and not to start a new ‘unrelated’ clan or tribe. The game is about rebalancing various experiences and appreciating and building sustainable diversity.

There is much to learn from the 20th century company as well. There are lots of adventures out there. Find them. Enjoy them. And have fun!

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