

CONTACTS:

Christy Pettey  
Gartner  
+ 1 408 468 8312  
[christy.pettey@gartner.com](mailto:christy.pettey@gartner.com)

Robert van der Meulen  
Gartner  
+ 44 (0) 1784 267 738  
[rob.vandermeulen@gartner.com](mailto:rob.vandermeulen@gartner.com)

## **Gartner Says Capitalism Going Social Will Require Organisations to Build Two-Way Relationships with the "99 Per Cent"**

### ***Gartner's Maverick Research Special Report Sparks New, Unconventional Insights***

STAMFORD, Conn., December 3, 2012 — CIOs and business leaders must understand how a new breed of social capitalists will exploit technology to disrupt their industry segments, according to Gartner, Inc. As the gap between the rich and the poor in developed economies grows, money, wealth and power are becoming increasingly concentrated in the hands of a small number of individuals — the "one per cent" — while the other "99 per cent" is increasingly using social media to collaborate, campaign and agitate against perceived inequities, leaving many management teams feeling under threat.

These research findings are produced as part of Gartner's Maverick research. Maverick research is designed to spark new, unconventional insights. Maverick research is unconstrained by Gartner's typical broad consensus-formation process to deliver breakthrough, innovative and disruptive ideas from the company's research incubator.

"While capitalism won't collapse, there are fundamental changes under way as it morphs to a new form that is more in tune with the technology and attitudes of the 21st century," said Nigel Rayner, research vice president at Gartner. "The coming capitalist era is that of the Facebook generation, in which the values and behaviours that pervade the internet and social media will also be adopted by innovative and disruptive businesses. With half the world's population under the age of 25, this may happen sooner than many think."

Gartner has identified a number of major shifts that will occur as capitalism goes social:

- Businesses will move away from the hierarchical command-and-control model to a more democratic and meritocratic model. Employees will be judged (and granted decision rights) on the basis of their impact on and value to the community, rather than on job title, age or social background.
- Businesses will adopt a more open approach to decision making, allowing anyone in the organisation, and also people outside the organisation, to have input into the decision-making process. Goals and objectives will be set by socialising strategic aims with employees, shareholders and communities of interest.
- Social and mobile technologies will be used to build and manage two-way relationships between businesses and all their communities of interest. This use of technology will go way beyond the one-way, outward-looking, limited use of social media today. It really will bring the 99 per cent inside the walls of the organisation to become part of the organisation.

"These changes won't impact all industries and businesses in the same way. Some will use them to create incremental business opportunities, but others may find their business model directly threatened, because

they are seen by the 99 per cent as the worst cases of exploitative business practices," said Mr Rayner. "However, some innovative organisations will use capitalism going social to create new business models and disrupt their industries."

Gartner calls these businesses "social capitalists." Not every organisation can follow a social capitalist model, but those that can, will be the most admired companies in the next 10 years. Business and IT leaders must understand the impact of these changes on their industries and organisations, and ensure that their business and IT plans have the appropriate focus on social media technologies. They should also identify whether management practices need to change to make the best use of these investments.

A key aspect of capitalism going social will be the use of social and mobile technologies by business to change the way it interacts with the 99 per cent, bringing them inside the four walls of the enterprise to become part of the organisation's processes, rather than keeping it at arm's length.

Social technologies are also central to improving employee engagement and rebuilding employee trust, but only if they are deployed with the intention of enhancing open communication and employee participation in decision making. This approach is based on the premise that engaged, motivated and empowered employees will deliver better customer service and value.

"Capitalism going social is a reflection of the wider societal changes that are happening in the 21st century. These changes cannot be ignored, although their impact will vary by industry and organisation. IT and business leaders must identify how soon their industries and companies will be affected by these changes," said Mr Rayner. "Ideally they should seek out a senior executive in the organisation that faces the greatest threat from capitalism going social who will be a strong ally. Once this person is on board, they should use the IT department to trial social technologies, and use the results of these experiments to advocate wider adoption across the organisation."

Additional information is available in the special report "Maverick\* Research: Capitalism Goes Social, or How Technology Will Enable the 99% to Change Your Business Forever." The report is available on Gartner's web site at <http://www.gartner.com/resId=2173518>. The report is part of the Gartner Special Report "Drive Disruptive Innovation with Maverick\* Research." This Special Report explores high-impact future scenarios that help companies think differently to uncover opportunity and enable innovation. This collection of research is intentionally disruptive and edgy to help IT leaders get ahead of the mainstream and take advantage of trends and insights that could impact their IT strategy and their organisation. The Special Report is available at <http://www.gartner.com/technology/research/maverick/>.

### **About Gartner**

Gartner, Inc. (NYSE: IT) is the world's leading information technology research and advisory company. Gartner delivers the technology-related insight necessary for its clients to make the right decisions, every day. From CIOs and senior IT leaders in corporations and government agencies, to business leaders in high-tech and telecom enterprises and professional services firms, to technology investors, Gartner is a valuable partner in 12,400 distinct organizations. Through the resources of Gartner Research, Gartner Executive Programs, Gartner Consulting and Gartner Events, Gartner works with every client to research, analyze and interpret the business of IT within the context of their individual role. Founded in 1979, Gartner is headquartered in Stamford, Connecticut, USA, and has 5,300 associates, including 1,390 research analysts and consultants, and clients in 85 countries. For more information, visit [www.gartner.com](http://www.gartner.com).

###