



But What's Your Screen Name?

Companies need executives with Web 2.0 know-how, but many are struggling to catch on.

Alan Rappeport, CFO.com | US

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William Behn sees the fear in their eyes. The senior vice president and managing director of SolomonEdwardsGroup, a CFO-services firm, says many of the executives he comes across are afraid they are left behind in the world of "Web 2.0," a maze of fast-moving innovations such as social networking, wikis, and blogs.

"Guys are asking me how to use it," says Behn, of popular online tools such as LinkedIn. "I can see the fear in these 50-year-olds' faces."

For some executives, this fear factor could be a serious problem. According to Polachi, an executive-search firm, companies are looking for executives who can speak the language of Web 2.0, both to make their firms more efficient and to find ways to make money out of the ways potential customers are using the Internet.

"Companies are chartered with finding executive talent that understands Web 2.0 concepts and that possesses skills in leveraging it across all business initiatives," says Rebecca Foreman Janjic, vice president at Polachi.

Executives need to be using social media such as Facebook, LinkedIn, and Twitter so they can better collaborate with people in their company and network with potential outside business partners, according to Polachi. Combing the Web using RSS feeds is an important way of learning what the public is saying about a firm, and a corporate blog can be a useful method for a company to get its message out.

In fact, Janjic says that when she is scouting executives, she would consider one who has a greater "Web presence" to be stronger than one who does not come up on sites such as LinkedIn. "All executives need to have the mentality," she says.

One reason is that for firms in many industries, there are new opportunities for profiting from Web 2.0 that can be exploited. David Lavenda, vice president of marketing and product strategy at WorkLight, argues that companies need to be better at creating online gadgets and applications that interact with the Websites people use. The technology firm is trying to help companies use platforms like Facebook or Apple's iPhone to make secure transactions.

"For most companies, it's pretty new," says Lavenda of Web 2.0. "They know they need to get engaged, but they're not all that aware of the issues and opportunities."

According to a 2007 study by the Economist Intelligence Unit, a sister business unit of CFO.com, 80 percent of large enterprises believe Web 2.0 technologies can improve revenues and margins. Of the 406 executives polled, 30 percent said they expect Web 2.0 tools to trim customer-service and support costs. Moreover, 71 percent of firms said they are already using, or plan to use, online communities for things such as marketing and product development within the coming two years.

Finance people seemed to be the biggest skeptics. According to the report, CFOs lag behind in support of Web 2.0 initiatives. They are less likely than other executives to view Web 2.0 as transformative, less likely to think it will affect all parts of the business, and less likely to say it will change the company's business model. They are also less optimistic than their C-level peers about Web 2.0's potential to increase revenue and margins.

Perhaps CFOs are just proceeding with extra caution into the Web 2.0 world. Last year the CEO of Whole Foods was reprimanded for comments he posted on an online message board.

And just last week, airline Virgin Atlantic fired 13 employees for posting inappropriate messages on Facebook. The contents of the posts ranged from claiming there were problems with jet engines on certain planes to poking fun at passengers.

Because so many finance people are scared or skeptical, the savvy ones remain in demand. Executive recruiter Chuck Eldridge of Korn/Ferry International says that these days, top technology firms are desperate for good finance chiefs who can handle businesses that are quickly evolving.

"We are definitely noticing a strong desire for financial leaders in the online space," says Eldridge. "The fast-paced, high-growth, technology-focused environments aren't easy to navigate for some."

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