BOUT FIVE YEARS AGO, we set out to define what we called CRM 2.0. We set up a wiki and enlisted about 300 leading lights in the CRM world—from CEOs and influencers to analysts and journalists to practitioners, all working together to formulate a common definition. In 2009, we began to call it social CRM, and it was established as part of mainstream discussions. Nevertheless, the strategy remains an immature set of practices.

Because social CRM is still in the pilot stage, industry naysayers occasionally declare that it is dead. Well, that would make social CRM a stillbirth if you were to take these folks seriously. I don’t, and what they are saying is not even that interesting.

What is interesting is what they are attempting to substitute for the newly buried social CRM. It’s been social business, customer experience management, social media, and other early-development initiatives that are driving 21st-century industry, including new business models.

So, rather than respond to the silly declarations of social CRM’s death, I will show you the differences among all of these imperatives to erase confusion about the terms. Unless you are an irrepressible ideologue, this will show you what these are—and the common denominator is that they are not substitutes for social CRM. Also, social CRM emphatically is not dead.

What terms are we trying to define? Here’s the list: social business, social CRM, Enterprise 2.0, social enterprise, social media, and customer experience management.

Let’s focus on social business, which is the all-encompassing term; all of the other concepts fall under its aegis. The best definition for social business that I have found is a combination of two. The first one is from uber–thought leader Ray Wang:

“A series of design principles, techniques, and technologies that create, extend, and enable individuals to engage, transact with, and influence each other through social media interfaces.”

IBM offers the following definition:

“A business that embraces networks of people to create business value…. Social businesses more fully integrate the collective knowledge of people-centric networks to accelerate decision-making, strengthen business processes, and increase innovation that matters.”

The combined definition of social business underscores perfectly what a 21st-century business needs to consider: how to use the intelligence and skills of the work force, the company’s customers, partners, and vendors—what I call the collaborative value chain—to optimize the ultimate benefits to both. In the case of a business, that means optimizing the distribution and growth of knowledge that leads to insight and innovation through the engagement (a.k.a., direct involvement) of these distinct elements.

Social CRM and Enterprise 2.0 are the core elements of a social business, but they have distinct purposes. The distinctions are simple. Enterprise 2.0 revolves around internal collaboration; it’s a platform that provides the work force with the means to share information in ways that enhance the overall effectiveness of the
company as well as the productivity of each employee. Social CRM centers on engaging with customers, providing them with the products, services, tools, and consumable experiences that they need to sculpt a personalized relationship with the company, and one that the customer controls.

My full definition of social CRM, though a little cumbersome, certainly does the trick:

“Social CRM is a philosophy and a business strategy, supported by a technology platform, business rules, workflow, processes, and social characteristics, designed to engage the customer in a collaborative conversation in order to provide mutually beneficial value in a trusted and transparent business environment. It’s the company’s programmatic response to the customer’s control of the conversation.”

One of the benefits of social CRM that draws less attention than it should is that by providing what the customer needs to control the experience that he has with the company, the customer also self-selects. That is, he chooses the level of intensity, the frequency, and the benefit he would like to derive from the company. The brand is simply providing the options. That means that if the customer doesn’t want more than a utilitarian relationship with you, odds are good he won’t use those tools that much. If he wants to go all the way to become an advocate, he will use what’s being made available to communicate his love of the company to the company as well as to his friends.

You don’t need to run complex algorithms and do deep sentiment analysis on people like that. They let you know how they would like to relate to you by openly interacting with you at the level of their choosing. In other words, they self-select.

The same goes for Enterprise 2.0. The employees take part as much as they care to. Social business is not just the combination and interaction among the elements but it is also the empowering of employees to deal with customers and the empowering of customers to determine their own relationship with a company.

So, does social business substitute for a dying social CRM or a fading Enterprise 2.0? In fact, the exact opposite is the case. Social CRM is mainstream in discussion and tactical, rather than strategic, in most of its execution right now (e.g., a Twitter-focused customer service channel). It remains in the early stage but vibrant. Enterprise 2.0 is an increasingly “normal” part of the life of the Fortune 1000 workplace, as we go through decade two of the millennium. The two components—with aspects like the social enterprise technology stack and the inclusion of inbound and outbound social channels in the deliberation around communications with customers and employees—are what make up social business.

Substitute social business for social CRM? Silly.

Substitute social business for Enterprise 2.0? Dumb.

View social CRM and Enterprise 2.0 as the heart of social business? You’re smart. Very, very smart. Please stay that way, even when the doomsayers call for their replacements.

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