



Chapter X

Building Customer Communities of Practice for Business Value: Success Factors Profiled from Saba Software and Other Case Studies

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ABSTRACT

Most discussions of Communities of Practice (CoP) place them in the context of a primarily internal-to-the-organization approach to managing knowledge. The construct, however, has application across the entire value chain of an organization, including the domain of a company's customers. This article explores the strategic value of building Customer Communities of Practice (CCoPs), learning networks among customers of a company whose win-win value proposition helps customers gain valuable insights from other peers while also providing the sponsoring company with a means to further innovation, loyalty and deeper insights into the markets they serve. The analysis suggests three types of CCoPs, including business

to consumer, business to business, and communities of channel distributors. Case studies of each are presented and an especially extensive treatment is offered of the second type based on the author's experience of building a CCoP for his own software company. The discussion concludes with several lessons learned and practical guidelines for building successful CCoPs in any industry.

INTRODUCTION

When Communities of Practice (CoPs) captured the attention of business leaders during the 1990s, the predominant application was to foster and support learning networks of practitioners within the traditional boundaries of an organization. Though most founding fathers of the CoP concept envisioned communities as cross-boundary constructs (e.g., Wenger, 1998; Brown & Solomon-Gray, 1995; Brown, 2000; AQPC, 2000; Wenger, McDermott & Snyder, 2002), enthusiasm for largely internal Knowledge Management (KM) programs during those years branded CoPs as part of the great unseen and informal network of learning to be tapped within every enterprise. Today that assumption still largely prevails and indeed many organizations are moving to develop internal knowledge communities as part of their overall learning and KM approach.

This chapter argues that, in addition to more common internal versions of CoPs, there are opportunities for creating a comparable system of relationships, motivations and learning processes of these networks among customers of an enterprise (e.g., Lesser, Fontaine & Mundel, 2002). Indeed, approaches, techniques and design principles of these Customer Communities of Practice (CCoPs) are emerging among pioneering experiments that can guide their development in other companies. The chapter further argues that development of CCoPs is both timely and strategic for the benefits they can confer for increasing customer loyalty, innovation and the deepening of market understanding for a sponsoring company. At the same time, customers who participate in CCoPs can benefit from professional growth and knowledge about organizational improvement within their own companies. At their best, CCoPs are win-win networks that help both the sponsoring company and the members who join in such a community.

However, CCoPs do not spontaneously emerge, nor can they be developed without due attention to the fundamentals of CoP architecture (developed from Wenger, McDermott & Snyder, 2002, p. 23): *context, knowledge domain, people, practices and governance*. Analysis of some recent case studies and especially the experience of my company, Saba Software, will highlight relevant themes for success applicable to other situations.

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