

An Outsider's Inside Look at the Evolution of IBM's Virtual Universe Community

From the Fire Pit

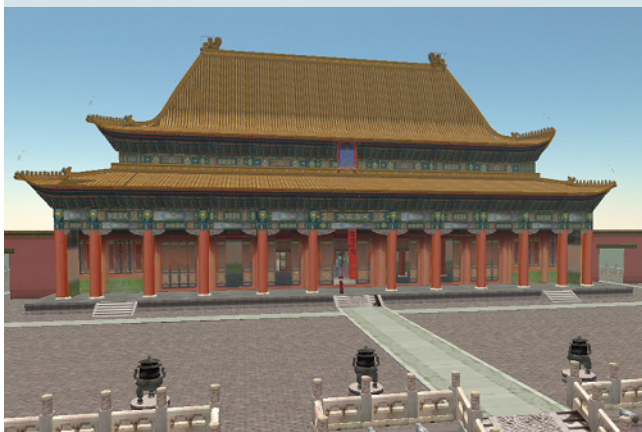


The first time I ever heard of virtual worlds was from an IBMer named Dr. Clifford Pickover, over lunch one Friday afternoon. When he mentions something of interest, from shamanistic trances to potentially deadly fugu sushi, I take note. But this was *really* off-the-wall. He spoke of imaginary worlds complete with their own economies, in which people around the world create avatars, communities and three-dimensional models of their ideas so others can inhabit and enhance them. Mystified, I listened as he explained that virtual worlds are not games, but rather immersive environments in which people enhance their connections to each other and to their personal, social and professional missions.

"It's all very intriguing," he added, as people around the table raised their eyebrows at the conversation. "When you go into Second Life®, get in touch with Jessica Qin [aka Craig Becker], an old friend of mine."

I wrote down the name, not realizing that I was about to befriend one of the rock stars of the virtual world. This was the catalyst for a transformation in my perspective on commerce, community and global culture.

It started simply and suddenly, as many relationships in virtual worlds do, after I'd created my avatar, Eureka Dejavu. Jessica, who was covered in tribal tattoos and had robotic feet, teleported to my excessively expensive beach hut, paid for with the currency of the local economy. The degree of thought and creativity that had gone into crafting her



to the

Forbidden City

By Rita J. King

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One of the VUC's most important accomplishments has been helping legitimize virtual worlds to the communities within IBM by driving activities that have real business value.

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Michael Rowe
 Manager
 3D Internet

avatar was immediately apparent, and I was self-conscious about my pasty newbie skin and generic appearance. She coached me on head size, heft and height. Jessica even had a roster of poses that she cycled through as we spoke while I hunkered in one small spot like a new student in an unfamiliar classroom. This feeling, I would soon learn, is shared by many at first, and is mitigated by the fact that avatars in virtual worlds organically help one another learn the ropes. This egalitarian beginning forms the cornerstone of the new culture that has emerged across multiple virtual worlds.

When Jessica offered me to take up residence on her island she took me to a fire pit that has justifiably gained mythological status among a handful of IBMers, the passionate early adopters of virtual worlds who once gathered there to discuss the possibility of the company as a whole becoming a thought-leader in this space and discovering the business value in the shift. The same way those who saw the early potential in the Internet ended up ahead of the curve when the World Wide Web went mainstream. Work should be fun, they felt, but more than that—they didn't want to see IBM get left out of the next great technological revolution just because the specific value of experimentation and mastery was impossible to predict at the onset.

Sandra Kearney, the leader of IBM's 3D Internet activities, is also an experienced pilot and flight instructor who sees parallels between learning to fly and immersion in a three-dimensional digital environment. "People often feel the need for control when lacking confidence and knowledge," she said, while we sat together on blue beach chairs, sharing virtual champagne that overflowed with bubbling stars. "As these skills are mastered, however, the hard boundaries of control begin to disappear."

Ultimately, that's what this story is about.

The relationship between humans and fire—equally symbolic of power and sustenance—epitomizes the search for energy and increased organization that has propelled the course of history. It is appropriate, then, that the early members of IBM's Virtual Universe Community (VUC) gathered around a fire, and that a stray ember rose up from a blog post to set a company-wide experiment ablaze. The result of this early effort has been the formation of a sophisticated global think-tank of IBMers fostering powerful connections and shattering boundaries with new methods of creative collaboration.

I started learning the story of the IBM VUC in pieces, but one aspect of the amazing tale—the willingness of the group to share credit with colleagues—was immediately apparent. The emergence of the 3D Internet mirrors the development of the World Wide Web, which was roundly criticized at first for the misperception that it lacked business potential. In fact, immersive environments are simply a new lane on the information highway, and the business value of mastering the medium seems clear: early adopters will set the tone for myriad global uses of the technology. The predictor of success, however, is a willingness to collaborate creatively on exploring the possibilities, which are not shackled to the laws of physics the way the physical world is, and yet must maintain a semblance of familiarity in order to allow people to function as avatars. IBM's

confident, sophisticated approach to exploring the medium has resulted in a sea change across all levels of the company.

Peter Finn posted a Thinkplace idea early on suggesting that the company consider taking immersive virtual environments seriously. He described a band of mavericks when we spoke, setting out against some criticism by those who may have suspected that IBMers were just trying to weave a little game time into already impenetrably hectic work schedules. The general consensus, even among those who felt initially targeted (but since lauded), is that this riptide of change came so fast that it would have been impossible for the entire company to recognize the business value simultaneously. Michael Rowe noted that every bold dream starts out with one group of visionaries and another group of doubters. In the end, the dreamers got their way, and the rest is changing history.

Many of the IBMers who are most heavily involved with the VUC learned how to become residents of their respective worlds on their own time, helping one another on nights and weekends. The volume of volunteerism that has resulted from this mutual immersion process is astonishing. It is impossible now, according to Peter Finn, to even determine who has done what to promote this vibrant social enterprise platform that has granted IBM visionary thought-leadership status in this emerging field. Part of the business value of the medium lies in the ability to connect employees who would never otherwise meet so that they can accomplish important work, and share solutions and ideas, across cultural boundaries.

Since its official inception on September 12, 2006, the VUC has grown from a tightly knit group to nearly 4,000—and continues to expand daily. Forty percent of IBMers work outside a traditional office setting, and half of the company's 355,000 employees have only been with the



IBM Virtual Business Center and The Greater IBM Connection



company for five years or less. 34,000 new hires will join the company this year. As global teams are often composed of virtual strangers, the advent of the 3D Internet has introduced a shimmering depth of field to the company's culture.

But how did it all get started?

Ian Hughes and a team of colleagues from Hursley were the driving force behind the now famous external blog, Eightbar, on which virtual worlds as a business pursuit for IBM had been mentioned early on. He explained how he'd joined forces Darren Shaw and many others in September 2005 to create the Eightbar blog and together the group also wrote much of IBM's corporate blogging guidelines.

Ian Hughes took me for a tour of virtual Wimbledon and spoke eloquently of his passion for the power of virtual worlds and the sense of community that drives them. The virtual Wimbledon, an extension of IBM's work with the brand in real life, allows avatars to be animated like players. A shop offers Wimbledon goods. In virtual Wimbledon, as across the VUC, the community appeared immediately to be built on individuals fostering creativity and comprehension by helping each other learn.

Ian Hughes' children had just gone to bed in England and my New York afternoon was in full swing when we met virtually.



"I want people to choose to be a part of something," he said. "Not just take orders. It's a revolution."

In February 2006, Sandra Kearney was at a meeting of senior level executives when the subject of virtual worlds came up. She was in Second Life at the time with Ian Hughes and introduced his avatar to the executives at the table around her—to their amazement.

"You can't just *talk* about it," she said. "You have to just go *do* it. That became one of our mantras."

Meteoric growth, however, creates a necessity for the rapid creation of new philosophies. Within a couple of weeks of the official inception of the VUC, Irving Wladawsky-Berger, Chairman Emeritus, IBM Academy of Technology, acknowledged that IBM was already "starting to address and define the issues and problems involved," which include etiquette, behavior rules and issues related to managing the licensing of intellectual property.

IBMers took matters into their own hands in the absence of official corporate endorsement for the experiment. Jack Mason, supported by the core members of the VUC, purchased twelve islands in order to start developing the company's presence. Month by month, the VUC's membership grew steadily like the population of an early frontier town, full of pioneers. But as any pioneer knows, convincing others to leave the stability of the known for uncharted territory is no easy task. IBM's foray into virtual worlds was no different.

Immersion happened amazingly quickly for Ian Smith, a former self-described Everquest junkie who remembers Worlds Away from Compuserve in the 1990's. He became a Second Life resident on June 26. He joined Eightbar on July 3 and took part in an August 3 conference call during which he was asked to create the community's charter. His initial involvement, though rapid, went through distinct stages, a phenomenon shared by many in the VUC. At first he was just delighted to learn that some of his co-workers shared his passion for games and virtual worlds. Before long, though, "the community raised the bar by indicating a corporate interest."

Ian Smith collaborated on the charter with Holly Stewart from their respective houses throughout the course of an entire weekend. Having written the charter for an Everquest guild several years earlier, he embraced the opportunity.

Ian and Holly worked together from a "gut feeling" about what should be included, wanting to create a "human document, and not some management-speak thing." The pair worked to come up with a definition for what they thought virtual universe meant: ***a persistent state 3D virtual environment in which inhabitants can interact with the world and each other.***

It was just the beginning, they agreed. The concept would grow.

The Path toward Becoming a Globally Integrated Enterprise

In November 2006, when the population of the VUC had steadily grown to 800, IBM Chairman and CEO Samuel Palmisano made a groundbreaking appearance in the virtual Hall of Supreme

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Linda Ban
Program Strategy Executive
Digital Convergence

Harmony in China's simulated Forbidden City while in real-world Beijing to announce the ten most promising ideas generated by InnovationJam to the world. This massive, global, online collaborative brainstorming session aimed at identifying new market opportunities and creating solutions that advance businesses, communities and society in meaningful ways is evidence enough that traditional hierarchical corporate structures have given way to a more inclusive approach to determining the course of the company's future. By sharing the results of the InnovationJam in a virtual world, Samuel Palmisano became the first Fortune 500 CEO to make such a definitive opening salvo.

In many ways, despite initial discord about the real value of experimenting in three-dimensional virtual worlds, IBM's bold visionary announcement of intent was a challenge to the notion of business as usual. The outdated idea of a multi-national corporation is being replaced by a far more sustainable and productive model: the Globally Integrated Enterprise, in which the entire hierarchical control structure that once permeated executive order is being disrupted. This important shift is happening not a moment too soon. It *had* to happen, and immersive virtual environments are enabling the transition on a grand scale, and at little cost. This usefulness, IBM has discovered, is a tremendous part of the business value in a changing world.



Sam Palmisano in the virtual Hall of Supreme Harmony

People with access to the resources and fortunate enough to have the time are already accustomed to the ability to express themselves digitally, en masse to much but not all of the world—to platforms of various sizes depending on the additional skill of attracting an audience. This deepened relationship with computers has given rise to a new phase in the evolution of human consciousness: the Imagination Age. People around the world can build three-dimensional representations of their ideas which can then be experienced and enhanced by creative global collaboration. In order to retain and attract top talent in the near future, the immersive medium to which tomorrow's workers are already accustomed in the form of video games and other virtual environments must be integrated into the work experience.

Many of the company's clients, such as Manpower, are doing the same. With operations in 80 countries and territories around the world, Manpower helps governments, companies and individuals navigate the ever-changing world of work.

The company engaged IBM for technical and creative guidance when looking to maximize the 3D Internet. Manpower developed ideas internally, and IBM worked to enhance the concepts, and put the finishing touches on the build.

"The virtualization of the labor market is a key issue for companies, governments and individuals, and with 60 years of experience setting the standard for work practices in the real world, Manpower is well-placed to help these groups emigrate to the world of virtual work," said Manpower Inc. Senior Vice President Tammy Johns. "Our presence in Second Life, enhanced by IBM's technical expertise, enables us to identify individual preferences and behaviors, as we further define the standard for work practices in these emerging virtual worlds."

The mainstream media is full of cautionary tales about popular brands crashing and burning after applying old ways of doing business to a new paradigm, but IBM has avoided this pitfall by confidently proceeding in the direction of proven value, not just in creating a strong community, but by implementing its brilliant ideas.

Linda Ban, who documents IBM's business value for virtual business, said:

"This is only the beginning for a truly collaborative platform. Our activity is the result of strong community efforts and dedication to every client's success."

IBM's push toward mastering the medium is bolstered by an open-minded philosophy that IBM doesn't yet "have all the answers," marketing executive Lisa Smith said. This attitude has led to deeper experimentation and heightened focus. IBM predicts that many new worlds will arise in the near future. While some will fade out others will shine—therefore proficiency across platforms is a necessity.

"The power of community means coming together to do more than just have a meeting," Michael Rowe said. "We're looking to enhance internal collaboration, and one of the VUC's most important accomplishments has been helping to legitimize virtual worlds to the communities

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Tammy Johns
Senior Vice President
Manpower Inc.



within IBM by driving activities that have real business value. We are growing comfortable across multiple platforms. We are a trusted advisor, and we're learning the spaces."

Becoming a Global Citizen

History is often told through the stories of leaders. By the time the first anniversary of the VUC was held in Active Worlds, the community was on its third Guildmaster, Kevin Aires, after Brian House and David Kamalsky had each served a term. The fact that the VUC has made it through multiple elected leaders demonstrates success and evolution. It was David Kamalsky who demonstrated the organic nature of people helping one another become immersed in virtual worlds when I followed him in flight to one of IBM's virtual amphitheatres and landed in a crumpled heap on the rolling green ground. Using the down arrow to land, he explained, would create a far less dramatic entrance.

At the end of his tenure, David Kamalsky saw the commencement of the IBM activity playfully dubbed the war of the virtual worlds – IBM voluntary teams of 5 exploring the benefits of multiple virtual world platforms. The challenge in looking at the different platforms was to analyze them based on technology capabilities, business applications, economics and social platforms.

"We all have a passion for this, and we see this as the future. Of course it's fun," said David Kamalsky, who learned how to live and work in a virtual space on his own time, on nights and weekends. "It takes the passion of the community to really drive things forward."



The Virtual Universe Community celebrates its first anniversary

Before becoming the third VUC Guildmaster in May 2007, Kevin Aires served as the Project Manager for the Greater IBM Connection, which was launched virtually to strengthen the ties between the globes nearly one million current and former IBMers. His attention was immediately captured by the “potential for people to interact globally” in virtual spaces. The Machinima Challenge, among other events, was his idea. Thousands of viewers have since watched the winning entries on YouTube.

Rob Smart, who develops machinima for IBM, said that the VUC is “all about the collaboration factor and the possibilities it opens up.” Smart said the message of the Forbidden City project from IBM to the world and the subsequent work of IBMers has been one of unification.

“Increasingly,” he said, “we’re becoming aware of the notion of being a global citizen.”

With IBMers in China collaborating with their colleagues in Brazil and the social enterprise platform growing daily, it was only a matter of time before the global network began to pursue the true business value. A Circuit City collaboration was announced in December 2006, when the population of the VUC was 1,200, along with the official launch of twelve IBM islands that had grown from the idea that took shape around the fire pit on the island of Jessica, owned by Craig Becker, one of the earliest proponents of IBM’s virtual experimentation. Craig Becker designed the initial IBM cluster with an eye for maximum social engagement.

“In general,” said Craig Becker, “a lot of the value you get from holding meetings and conferences here in the virtual world space isn’t the ‘attending lectures’ part, it’s the ‘schmoozing and meeting and greeting’ part.”

David Levine pointed out that “Unlike a lot of stuff in IBM’s work plans, 3D is a very dynamic, emerging space, where understanding the human dimensions is at least as important as the technical ones.”

Like many members of the VUC, Levine predicts that IBM will become “deeply involved” with spearheading the integration necessary for eliminating boundaries.

“We don’t see this as a single monolithic space,” Levine said. “We need to spread out and explore other worlds. A huge amount of this space is about learning how and why it works.”

Taking the time to teach each other and business partners the basics has yielded excellent results.

Amber Armstrong, Market Manager of PartnerWorld Industry Networks, had only been at IBM for a few weeks when she came across an internal article that introduced the concept of exploring virtual worlds. At this time, around February 2007, the VUC was 2,300 strong.

“Our challenge was introducing our business partners to each other,” said Amber Armstrong, who embarked on a low-key process of exploration. Soon, IBM partners from around the world were introduced to one another in a virtual format reminiscent of speed-dating.

The result was a “one hundred percent success rate” with IBM’s participating partners, despite initial hesitation to explore uncharted territory, all immediately seeing the value in this time and resource-saving manner of meeting after IBM trained participants in the process. Twelve more partner sessions are scheduled for this year to connect people from around the world at a greatly reduced cost to IBM.

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Global Architect
3D Internet and Virtual Business



Innovate Quick Team collaborates in the IBM CIO Metaverse

Not only does this help save the company the cost of initializing such meetings in person, but it also helps save resources and encourage the development of relationships beyond cultural boundaries, which can foster stronger connections and a deepened approach to collaboration.

Creativity: The Coin of the Realm

It wasn't long before etiquette and behavior issues required some kind of official nod by IBM, especially given the negative attention generated by the mainstream media's focus on assorted misbehavior. One principle that holds true across multiple worlds is that human vice knows no bounds, and it's not surprising that the same media that too often focuses ad infinitum on celebrity tantrums and minor snafus would also zero in on the less savory aspects of human nature in virtual worlds.

By the time the hotly anticipated Virtual World Guidelines were released in the summer of 2007, the VUC population had reached several thousand. Although, some in the growing community feared that the company was making a mistake in creating the appearance of attempting to control the ability of employees to create and express their virtual identities to the fullest the benefits far outweighed the fear. The guidelines became a guidepost for helping the less adventurous members of IBM and other companies enter the environment.

I have seen members of the VUC in all kinds of situations—hard at work in virtual labs, greeting visitors in the Business Center and rezzing folding proteins in the air to explain the mechanism behind Alzheimer's and Mad Cow. I have also seen them ice-skating on simulated rinks, busting out an impressive tango on the dance floor, creating private machinima and art and relaxing with friends within the privacy of their own virtual homes. When they are in mixed company IBMers follow the same respectful principles that govern their interactions on a professional capacity. Since I live on the private island of one of the community's most notoriously expressive and fearless members, I asked Craig Becker how he felt about the idea of Virtual World Guidelines.

It turns out that he took a lead in creating them.

Craig Becker said the guidelines include many necessary and common sense edicts, such as ***building a level of trust within a virtual world represents a commitment to be truthful and accountable with fellow digital citizens***—but he holds firm that avatars need to practice creative expression.

"In a place like this," he said, "creativity is the coin of the realm. IBM needs to show its tech competence **and** its creative chops."

Sandra Kearney noted that the guidelines are "not such a stretch from reality...it's about being respectful to your community."

The VUC is learning together what that means.

"We are learning to trust people more," Andrew Reynolds said. "We are experiencing each other in a different way as we become more trusting and familiar. We are forming lasting relationships that will benefit IBM in the long run."

It isn't as if the conductor controls the orchestra, after all, but rather just fosters, through clearly communicated messages, the most efficient and productive direction toward true excellence, as a collaborative team. The music of the spheres now reverberates through unexpected realms, but more and more, the VUC is listening, and adding to the symphony.

IBM is rolling with—and spearheading—the changing times. Outdated business models cannot be successfully forced into the fledgling paradigm, and the result is a significant evolution in the art of business—and humanity.

"The old tools no longer work in a new world," Chuck Hamilton said. "Conservative corporations can only ignore the enterprise social platform for so long. Companies today can't wait for the future to come to them. They have to be adventurous. They should find the pioneers, engage them in old and new ways and take the leap. Remember, crossing the line of work, home and play is no longer a giant divide."

Chris Howard, manager of the IBM Innovation Centre in Dublin, said the facility's cutting-edge virtual presence brings partners together and matches entrepreneurs with the necessary skills to thrive in the emerging 3D Internet. This is part of the value of immersive environments, in which members of the global workforce will be able to increasingly find positions that match specific skills cultivated partly within such environments. The Innovation Centre provides expertise and IBM technology access to entrepreneurs exploring the business value of a changing world, and pairs partners for greater collaborative effect. Immersive virtual environments can help support the global workforce by providing a forum in which entrepreneurs can be connected to resources across time zones and cultures.

"We're acting as a navigator," Chris Howard said of the Innovation Centre's virtual counterpart, launched in Active Worlds in July 2007. This platform, assessed during the aforementioned war of the virtual worlds, allowed a "huge amount of flexibility," and allows many avatars to simultaneously attend an event, evidenced by a party held on September 12, 2007 to celebrate the first anniversary of IBM's VUC.

IBMers from around the world chatted on a celebratory conference call. It was 9 am in Austin, Texas, and 11 pm in Japan, but it was sunny and bright at the virtual Innovation Center, in a world where geographical barriers have ceased to matter and the revelers were focused on celebrating the accomplishments of the last year and looking together toward a collective future.

"In the long term," Ian Smith said, "I think this is going to change the world, not just IBM. Teenagers access computers via the most unbelievable awesome 3D rendered user interfaces. There's no way they are going to want to go back to using Windows or whatever when they get to work."

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Chuck Hamilton
Program Manager
New Media and Learning

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Collaboration ...is permeating the world. This is a natural extension for IBM, and the result is invigorating energy across all levels of the company.

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Colin Parris
Vice President
Digital Convergence

The more data there is in the world, he said, the more we are going to need better ways to visualize and share it.

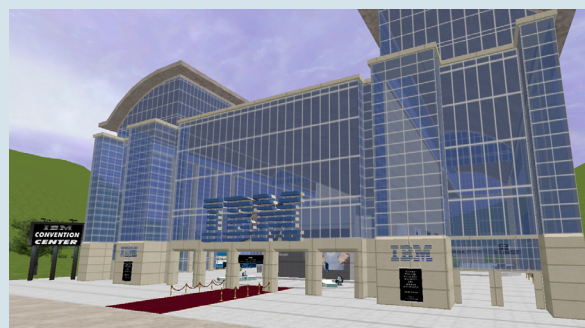
“This is going to be a key platform for that,” Ian Smith said. “I most strongly feel that this is coming, whether we do anything about it or not, so we must do something. We are doing something, in fact. It’s IBMers really... IBM has acted as an enabler for IBMers to do really impressive things. I mean, it’s disruptive in a way... but IBM has let people do this. The community has achieved really cool stuff.”

Like many IBMers in virtual worlds, Holly Stewart embodies the willingness to take part in the world’s revolutionary metamorphosis toward collective consciousness through individual imaginative expression.

Holly said, “This is quite a turnaround. I get to explore something I’m passionate about and get paid for it. I get to do it with amazing people. It’s awesome to feel a part of a big change, to feel like we are on the edge of a paradigm shift. I’ve imagined all of this for many years, so being here is quite unbelievable to me...being independent, as part of a group.”

“Collaboration...is permeating the world,” said Colin Parris, Ph.D., Vice President, Digital Convergence, who was with IBM throughout the slow e-business transition in 1995-1996. Unlike that turbulent period, this time, IBM got it right away, he said. “This is something that’s real and we must adapt for the good of the company. I was stunned at how well the community started self-organizing. This is a natural extension for us, and the result is invigorating energy across all levels of the company.”

Parris predicts that every job in the company will eventually be affected as the VUC “brings expertise and creates a sense of urgency for those who haven’t yet stepped foot in virtual worlds but see the enthusiasm and knowledge of colleagues gaining steadily.” A “cultural wave” has started at IBM, and within a few years’ time, it will be complete. IBMers have steadily focused on the importance of creating a more encompassing, richer culture, and passing the business value of that deep shift along to IBM partners and clients.



IBM in Active Worlds Intranverse

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