



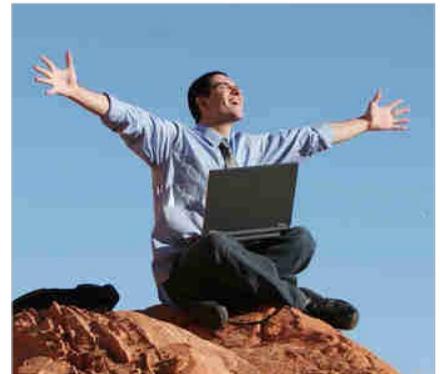
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GR  WTH LETTER®

Growth Focus: Social Media

CEO-Tip *of the Month*

by Guido Quelle

Social Media – Don't Leave Too Much Up to Chance



What does the CEO have to do with social media? Quite a lot, because when a company has decided it wants to be active in social media, it's a decision that can ultimately only be made by the CEO, as it concerns the company's processes, its organization, and in some cases even its strategy.

But more than that – and that's the focus of this CEO Tip: When a company decides to expand its presence in virtual social networks, it should assume that people will ask its employees about this development. They may even be asked in the context of the social network(s) in question. If so, how should they respond?

The classic: Facebook. Chances are that many of your employees are already signed up for Facebook. What do their accounts look like? What rules have you given them regarding communications involving the company? "Non-disclosure" also and especially applies to the social network.

Taking the idea one step further: What do your employees say when they are asked about their employer – your company – on the net? There are any number of occasions on which this can happen:

- o One of your employees' "friends" was dissatisfied with their shopping experience at one of your retail stores: "Hey, don't you work at ACME, Inc.? I really had a horrible time trying to buy a new coffeemaker there yesterday. They don't have a clue."
- o Another "friend" of another employee wasn't happy with the repair work on his motorcycle: "Do you always have such cutthroats working at your garages? They don't know how to do anything except take people's money."
- o Yet another employee's "friend" applied for a job

with your company and received a rejection letter:

"Talk about ridiculous! You know I applied at your company. First I get an interviewer who couldn't care less and then had to go through some stupid Assessment Center – totally unfair. And yesterday I got my rejection letter – with no explanation. How can you stand working for these people?"

- o There was a negative article on your company in the newspaper? "I saw your company in the headlines yesterday; not exactly the best publicity ..."
- o Thankfully, the news can't always be bad: "I've heard nothing but good things about your company. I'd like to know more about what you do."

Feel free to add to the list.

Of course you can't and shouldn't interfere in your employees' private lives. But it can certainly help if you succeed in getting your employees to respond professionally when approached about their company. Impressing the need for professionalism upon them is the first step towards establishing a policy on how they talk about the company.

Once you have convinced your staff of the need to think twice before responding to posts that concern your company, you can then sit down together in a small group to discuss typical scenarios (like those mentioned above) and agree upon suitable responses. If you can also put this in a visually appealing form (e.g. posters), you'll succeed in reaching more employees. In this regard, don't limit yourself to logic; feel free to give the design and content a more emotional touch.

Don't leave anything to chance when it comes to how people talk about your company in the virtual world.

Strategy & Leadership

by Guido Quelle

Social Media as a Catalyst for Growth? – First Think, Then Act



More and more companies are looking for their salvation in social networks. And more and more promising service providers (or better said providers who “promise more”) are cruising the market, always on the lookout for customers who want to dive into “social media” with little or no background knowledge. These providers then waste no time in inundating potential customers with the latest buzzwords on technologies, processes, the number of Facebook friends and, while we’re at it, on page impressions, hits, clicks, drop rates, blog posts, links, cross-links, meta tags, hash tags and any other cool word you can think of.

The catch: The discussions usually start at a completely inappropriate point, as the core question is not how many hits, clicks or friends a company gets, but how much business they actually generate as a result.

In this regard, we have to be the spoilsports. The advantage we offer our clients is that we’re not social media experts, but instead growth experts. And that means we can and must use our client companies’ overall perspective as the basis for how we think and act. Accordingly, no sooner has the question of how to actively get involved in social networks come up and the emotions and expectations been stoked, than we have to spoil the fun by posing the following questions:

- o “Why do you need to be active in social networks at all?”
- o “What exactly do you hope to achieve by doing so?”

- o “How can you measure or be sure that you’re on your way to achieving that goal?”
- o “What is the value for your company?”
- o “What does the planned timing look like?”
- o “Who is supposed to be in charge of social media at your company?”
- o “How much are you willing to invest and change?”

1. “Why?” – The reason

Some companies have no good answer to question 1. Great. The good news is that, if they don’t, we can feel free to put aside the topic of social media for the time being and invest the planned resources elsewhere. Good reasons for becoming active in social networks – regardless of which networks – are for example:

- o Our target group can primarily be found there.
- o The company is a trendsetter and therefore needs to be seen there.
- o The vast majority of the company’s business is generated on the net.

Poor reasons include:

- o Our competitors are already there (but not our target group).
- o The company wants to show how innovative it is (there are much better ways to do so).

- o The company hopes to open a new sales channel (here the expectations are often too high, too self-referential).

Finding a solid, strategically sound answer to the question of “why” that is also compatible with your company’s overall concept is an essential prerequisite for continuing talks on social media; otherwise you can save your time.

2. “What?” – The goal

“Here you go again with the question of ‘goals.’ How are we supposed to know what we want to achieve in social networks if we’re not even on them yet?”

Just as with any other business initiative, we need a goal in the form of a concrete business outcome. This is also and especially true for those companies that are now entering uncharted territory. At least initially, our goals don’t even need to be exclusively quantitative; but we at least need qualitative goals to start with.

And so as to make sure the whole thing doesn’t get out of control, let’s ask ourselves the third question:

3. “Measuring success?” – The cockpit

Which criteria can we use to reliably determine whether our foray into “social media” is on the right track to achieving our goals? Are these parameter and figures already laid out in a report of some form, or do we need some new instrument? By the way, hits, clicks, quotes and friends are not suitable candidates; we’re exclusively talking about business-relevant developments.

4. “Benefits?” – The value

What is the value for your company in achieving the goals associated with having a professional presence on social networks? The answer to this question, too, may have both quantitative and qualitative aspects, but there should also be a clearly recognizable added value that justifies our investing the time and money to launch and maintain our presence. Without a clear and concrete advantage – which takes us back to the first question – your company should abandon this project.

5. “When?” – The timing

Once you’ve decided to pursue a “social media” project – which will necessarily entail a subsequent process of further development – you should next define your timeline. Unfortunately, companies tend to be overambitious in this regard; try to stay realistic. Since this project most likely won’t be your company’s top priority, you should assume there will be delays when it gets put on the back burner. Further, there will always be the occasional unforeseen turn of events that can throw a real wrench in the works if you’ve planned too ambitiously. A conservative approach is advisable.

6. “Who?” – The responsibility

This is the “moment of truth” as it were, and usually also the moment when it gets very quiet in the room, everyone subconsciously ducks their head a bit and suddenly begin staring intently at the conference room tabletop, because they all hope – usually in vain – that it holds some answer to their dilemma. In any case, the most obvious answer is definitely not the best one: By no means should you put the Head of IT – or anyone else from IT – in charge of the project. Human Resources is also a poor choice. In a business setting, social media needs to be placed at the interface of Sales and Marketing; otherwise you run the risk of it becoming a “just for fun” project. Public Relations can definitely be involved when it comes to deciding what the company says on the net, and how. IT can provide technical support and HR can help to instruct employees as to how their company should be represented on the web, but both the project and the later development process should always be led by those who constantly work on and with the market.

7. “Invest?” – Time and money

Depending on the size of your company, you’ll need to invest not only money, but also considerable amounts of time in the establishment and upkeep of a social media presence. It should be made clear from the outset that creating a presence and defining a few routines won’t do the trick; instead to you need to establish a routine process, which your employees also embrace, for the operation and further development of what the company understands under the label “social media.”

A few closing thoughts

It is extremely valuable to make sure you have solid answers to the seven questions above before jumping into any social media adventures. Not every company has to be on Facebook, and Facebook itself is also only a single facet of the social networks out there.

Anyone who thinks they’re fairly clear on what “Web 2.0” means and are therefore a real expert on the virtual world has unfortunately missed a thing or two, as the current hype focuses on what to expect from “Web 5.0.” Those who think too much in the short-term are likely to end up losing out.

And let’s bear one thing in mind: If you’re trying to reach end users or to shape opinions on an end-user-relevant topic, social networks can potentially serve as catalysts. When it comes to B2B, however, the importance of social networks is vastly overrated: Those B2B companies whose core business is not the “web world” are well advised to invest in the development of their customer relations and related processes instead.

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