

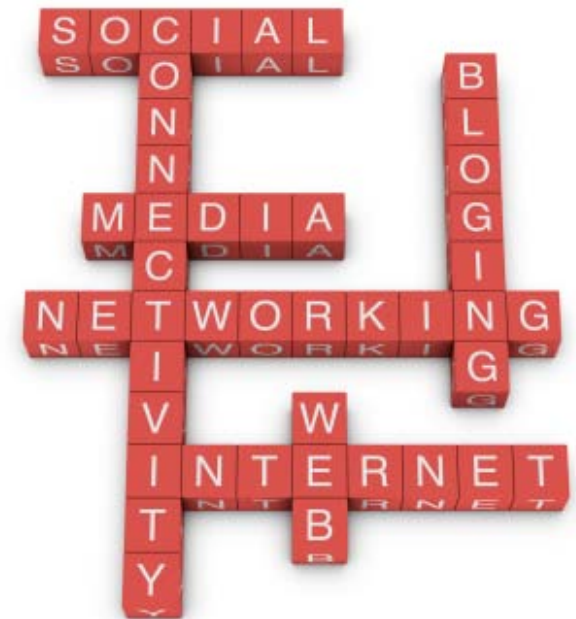


Social Media Uncovered

Privacy and Corporate Image in an Era of Facebook, MySpace, and Twitter

Agenda

- Social Media Uncovered
 - Use of Social Media by organizations and its employees
- Risks and Considerations
 - Impact and challenges associated with connection and communication
- Taking action
 - How to manage risks through policies education, and monitoring



Definitions

- What is Social Media? **The Message**
 - Media designed to be disseminated through social networks
 - Created using highly accessible and scalable publishing techniques
 - Examples include, Posts, Tweets, Groups, Applications
- What is a Social Network? **The Connection**
 - A social network service allows people to share media on a greater scale and with greater ease than traditional forms of Internet communication
 - Instant communication to the masses, feeling of community



“You can either get on the social bus or your can get dragged behind it, your choice” *CIO Magazine, October 18, 2010*



Statistics on Social Media

- > 500 million active Facebook users
 - If Facebook were a country, it would be the 3rd largest in the world
 - 50% log on daily
- >100 million active Twitter users
 - 55 million tweets per day
 - 37% use a phone to tweet



Result: Your employees are likely on social networks before, during, and after work

- *<http://www.facebook.com/press/info.php?statistics>
- **http://www.huffingtonpost.com/2010/04/14/twitter-user-statistics-r_n_537992.html

Organizations get in the Game

- **Leverage Social Networks to reach the millions of Americans participating**
 - Brand Awareness and Loyalty - Spread the word from supporters to friends
 - Recruit employees
 - Get critical feedback on products, ideas
 - Post promotions, contests, etc.
- **Many employees leverage social networks to build their network**
 - LinkedIn used to target customers
 - Building strong connections with business contacts by engaging in day to day life

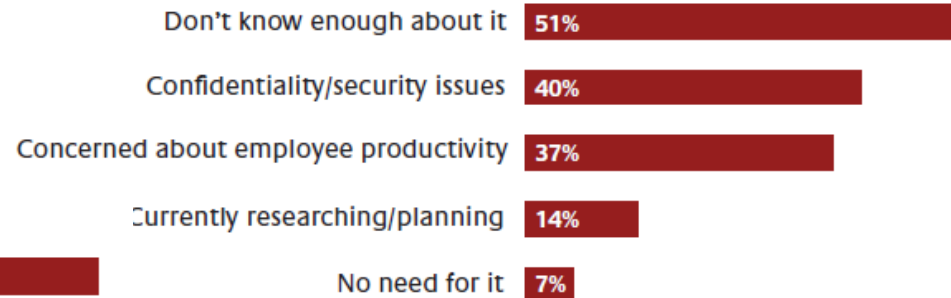
Senior Leadership Perceptions on Social Media

Perceived Value of Social Media



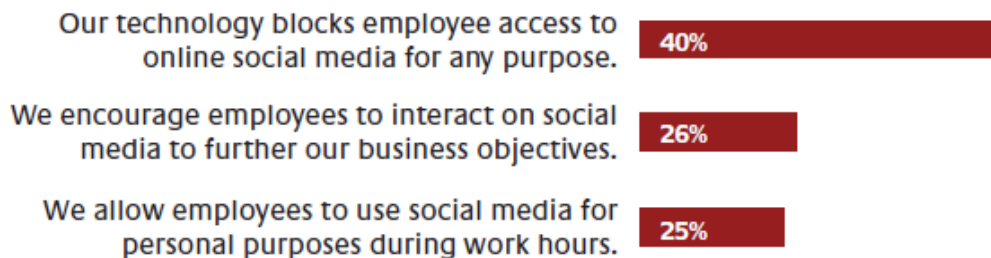
Multiple responses allowe

If You're Not Using Social Media, Why?



Multiple responses allowed

Viewpoints on Social Media



Multiple responses allowed

Organizations leveraging networks effectively

- Gap: Crowd-sourcing the new logo



- P&G: Built awareness & sold 1,000 packs of new diapers on Facebook in less than 1 hour
- Comcast: Offers customers an alternative way of getting customer service



The Future of Social Media and your organization

- First entrants: Consumer Products
- Next frontier: Other industries
 - i.e.: Mayo Clinic Center launches Global Social Media Health Network
- Emphasis on Web 2.0
 - Beyond static content, encourage participation
- Employees will be accessing Social Media sites on their mobile devices
 - Mobile Device users average 3.1 hours per week



Graphic: <http://www.riskmanagementmonitor.com/wp-content/uploads/2010/04/social-media-twitter.jpg>

Social Media Considerations and Risks

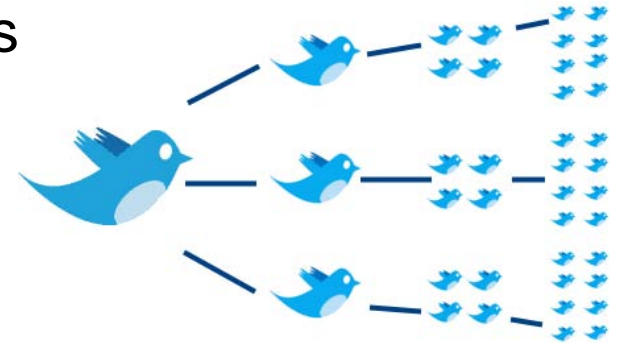
- Reputational & Financial Risks
- Legal & Employment Risks
- Information Security & Privacy Risks



"We've considered every potential risk except the risks of avoiding all risks."

Reputational Risks: Your company's image online

- Do you understand how your organization is represented online?
 - Employees, Customers, and Affiliates
 - Fact or Fiction
 - Brand Hijacking
 - ReTweet – Messages multiply
- Financial Impact
 - False “news” could be posted that could impact stock price, financial transactions, etc.
 - Example: 2008: Apple shares dropped 10% in 10 minutes after an iReport (CNN User Generated Content site) said that Steve Jobs suffered a heart attack.



Reputational Risks: Your company's image online

- Domino's Pizza YouTube Video, April 2009
 - *"We got blindsided by two idiots with a video camera and an awful idea. Even people who've been with us as loyal customers for 10, 15, 20 years, people are second-guessing their relationship with Domino's, and that's not fair."*



Legal and Employment Considerations

The Joy of Tech™

by Nitrozac & Snaggy



Signs of the social networking times.

Legal and Employment Risks

- Firing employees based on Social Media Posts
 - Little to no law, case law to cover Social Media
 - Employers have legally fired employees and leveraged what they found on social media sites
 - Marshal v. Mayor/Savannah
 - Snyder v. Millersville University
 - However - Sites may be private or “semi-private”, limiting corporate access, and management obtaining access may otherwise violate law
 - Pietrylo v. Hillstone Restaurant Group
 - Konop v. Hawaiian Airlines
- Bottom Line: Do you have the right internal/external counsel to advise you on social media?



Legal and Employment Risks

- Hiring (or not hiring) based on Social Network Sites
 - CareerBuilder Survey – June 2009:
 - 45% of employers reported using Social Media to research an employee's background
 - 35% have made decision not to hire based on this info
 - 18% have made the decision to hire based on this info
 - Inflated profile online?
- Content on company sites could be seen as hostile, discriminatory, offensive
 - “Personal” pages of an employee's management
- Compliance with Privacy laws and regulations
 - Responsibility to protect information



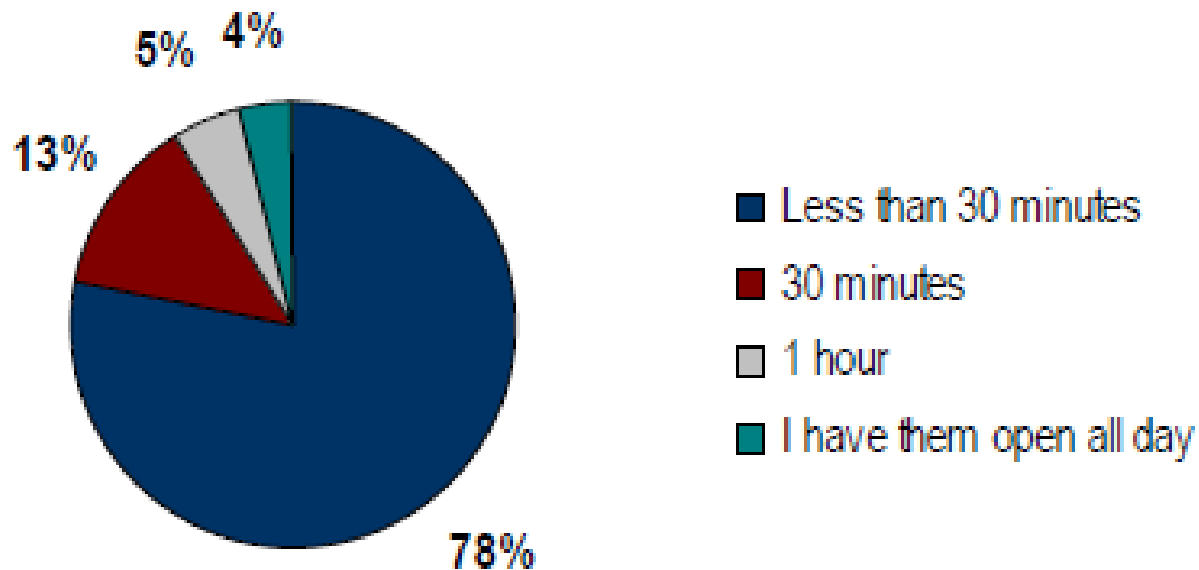
Legal and Employment Risks

- Employee's Right to Privacy
 - State Laws, Stored Communication Acts, European Laws, etc
 - Consult your attorney on which laws apply to you, latest case law
- FTC regulations
 - All posts made on your company's websites or by your employees must be transparent, accurate
 - Implications under FTC regulations if your organization or its employees overinflate the promises related to your products
 - Example: Ann Taylor Loft Blog
 - This year, Ann Taylor provided gift cards to bloggers who agreed to blog on the new clothing line. FTC investigated, took no action in this case. Stated they would watch and make decisions.

Legal and Employment Risks

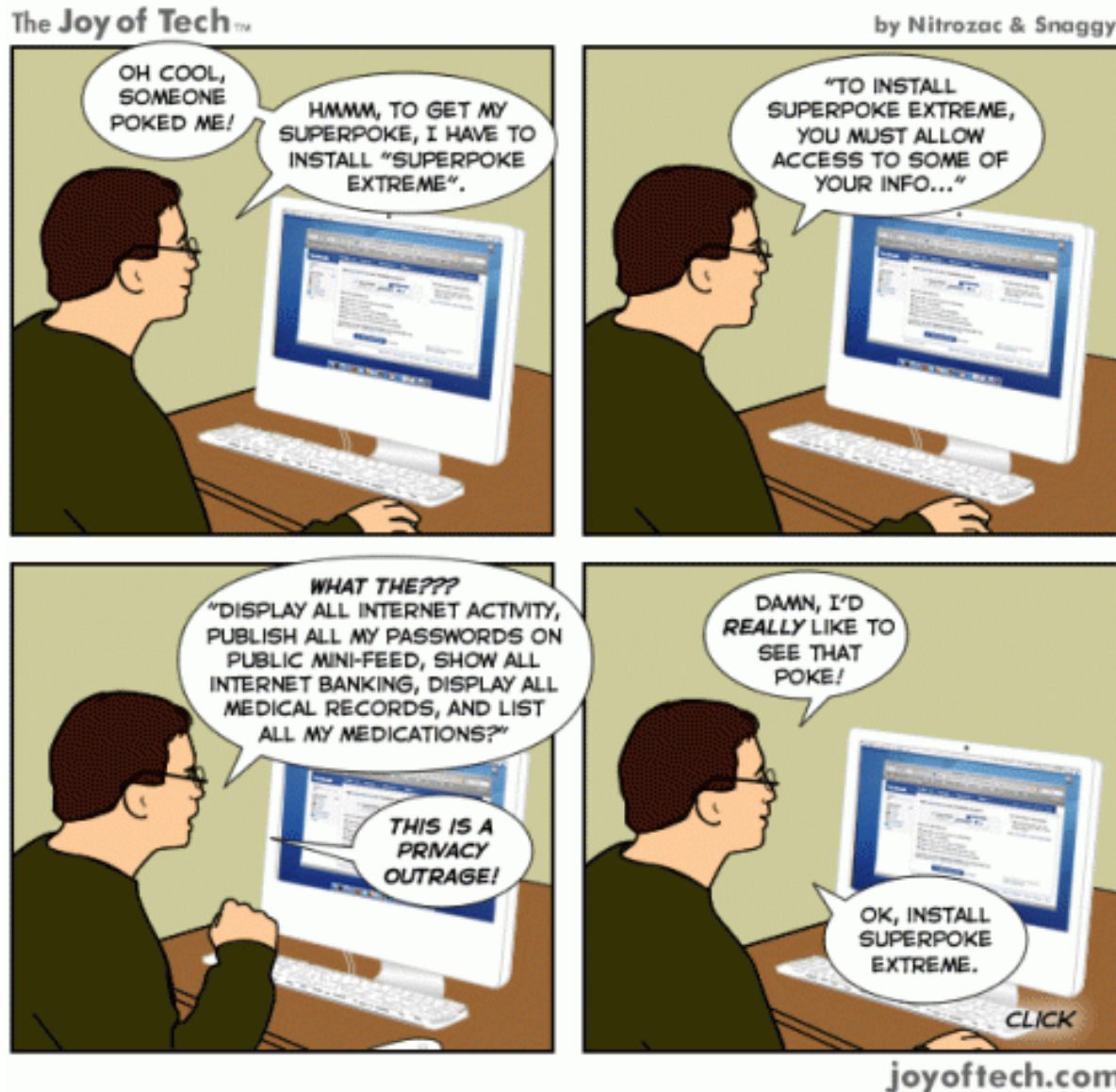
- Social Networks and Productivity
 - A May 2009 study found that 43% of employees access Social Media sites at work

Time spent at work on social networking sites:



Source: Brand Impact Social Networking Survey, May 2009
(Based on 753 responses from office Internet users)

Information Security Risks



Information Security Risks

- Social Media based attacks
 - Typically based on a message that appears legitimate from the vendor or an individual in your network
 - Includes a process to capture your credentials through phishing, and covertly gets you to give rights to the malicious application
 - Recent flaws
 - Proliferation of viruses (e.g. Koobface)
 - Twitter “OnMouseOver” vulnerability
 - Facebook Clickjacking
 - Cross site scripting vulnerabilities
 - Link shortening

Information Security Risks, cont.

- Changing views on communication of private info
 - Phishing, Social Engineering your employees becomes easier
 - Oversharing of Corporate Trade Secrets, Customer info maliciously or inadvertently
 - Consumer Reports Study: Half of social networkers post risky information
- With Social Media, are challenge questions really a challenge?
 - Cambridge University study – 1 in 80 can be cracked by attackers
 - 17-28% of challenge questions can be answered by friends and family (Microsoft/Carnegie Mellon, Technology Review Studies)
 - Example: Sarah Palin Yahoo account hacked



Information Security Risks, cont.

- Customer information & Intellectual Property Loss
 - May come as a result of general posts and discussions about their work
 - Proofpoint August 2010 Study – 20% of companies have had a leak on a social media site
 - Ex: Five Nurses at a Oceanside, CA Hospital were fired for discussing their patients on Facebook
 - Ex: Infosys Technologies revamping policy because employees have been posting about what they are working on
 - *“For example, there are instances when two people working on the same project posted project information on sites like Facebook, least bothered about the fact that this is an information leakage made on an unprotected site”*
 - Perceptions of “privacy”, “network” and “friends” that may be overestimated

Taking Action to Mitigate Social Media Risks

- Develop Policies
- Build Awareness
- Engage in Monitoring



Crafting an Effective Social Media Policy

Prepare to create/modify your policies by:

1. Engage a Multidisciplinary team

- HR
- Legal
- Marketing
- IT
- Risk Management
- Internal/IT Audit
- Compliance
- Public Relations
- Senior Leadership



Crafting an Effective Social Media Policy

2. Document a strategy & risk assessment
 - Will we engage in Social Media today? How? In the future? How does this align with our overall go to market strategy?
 - How does negative social media “press” impact our business? Negative feedback from customers? Employees? Affiliates? How will we handle this feedback?
 - What advantages, if any, are there from allowing our employees to access social media sites at work? What is the impact if we ban social media sites? What about accessing these sites from mobile devices while at work?
 - Consider risks identified earlier in this presentation



Crafting an Effective Social Media Policy

3. Use your risk assessment to determine what policies are needed. Perform a gap analysis: What exists and what needs to be created?
 - Same issues, Different Vehicle, Different Implications
 - **Reputation** - Employees bash the company in a bar vs. on Television vs. on Facebook
 - **Nondisclosure** - Employees talk in a public forum about the company's strategy vs. send an email vs. blog on twitter
 - **Appropriate Use** - Employees share a magazine with inappropriate or offensive content vs. send an email with offensive content vs. view a social media site with inappropriate content
 - **Malicious Programs**- Employees plug in an infected disk vs. click on a malicious email link vs. access a malicious Facebook app

Common Policies Needed

- Appropriate Use of Social Media Sites
 - On work equipment or during work hours on personally owned equipment
 - For business use vs. for personal use
 - May need to consider different business needs of different departments
 - At any time that impacts the company, its information and its reputation
 - Description of what is appropriate based on legal/HR input



Common Policies Needed, cont.

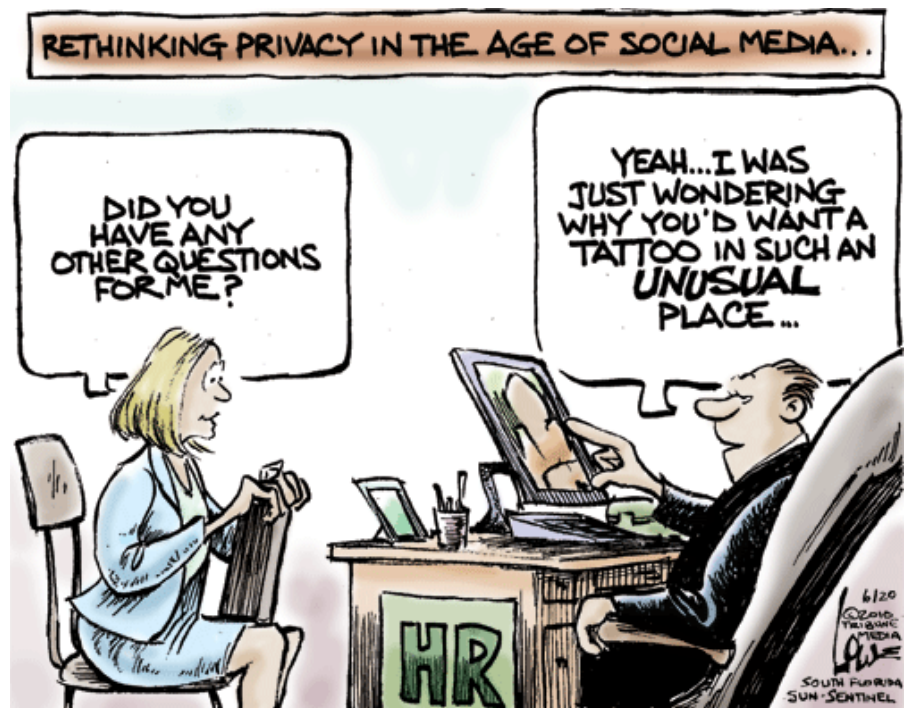
- Information Security Policies and Procedures
 - Phishing and Malware prevention standards and policies
 - Procedures to follow in the event of believed compromise
 - Communication of the risks of oversharing on the company
- Non Disclosure Agreement
 - Should cover releases of information in all forms including Social Media
 - Should cover intellectual property, company strategy, and customer info



THE INTELLIGENCE SERVICES ARE GETTING MORE AND MORE INTO SOCIAL NETWORKING
<http://riseabovethestatic.com>

Common Policies Needed, cont.

- Human Resources Policies and Procedures (involve Legal)
 - Candidate Screening Procedures that consider Social Media
 - If, when and how management will access and/or review employee personal social media sites
 - Termination policies that establish grounds for termination, and appropriately align with employment contracts, labor agreements, state laws
 - Strong documentation



Common Policies Needed, cont.

- **Marketing and Communication Policies and Procedures**
 - Highly dependent on your corporate strategy for social media
 - Consider policies and procedures on how new campaigns, ideas will be generated, vetted, and approved
 - When to engage the multidisciplinary team
 - Consider policies on how you will monitor Social Media buzz, and respond where appropriate



Communicating Social Media Policies

- Communicate your Corporate Social Media strategy
 - How you will use Social Media? Why you will avoid Social Media? Why?
- Talk about the risks and rewards of Social Media with your employees
- Communicate when policies are updated, when practices change significantly, and in the event of an incident
 - This should occur at least annually



Monitoring the Wire

- New breed of PR Software will help your organization monitor what is being said about them on Social Networks
 - This same software will help you manage your Social “brand”
 - Known as Social CRM
- Over 100 applications in the market today
 - Industry leaders per Gartner: Jive Software, Lithium
- Capabilities
 - Monitor conversations that involve your company
 - Respond in a timely manner if you choose
 - Gain competitive intelligence – your peers and Social Media
 - Collaboration and Community Tools
- Consider using employee feedback: monitoring

Conclusions – What We Learned Today

- What are social networks and what is social media
- Why you should care about social networks
- Addressing potential risks from social networks
- Crafting an effective policy for social media
- Communicating social media policies to your organization
- Monitoring Social Networks
- **In Summary: Social Media**
 - May have significant organizational benefits
 - May have significant organizational risks
 - Strategy is necessary regardless
 - Policies and Procedures to fit the strategy
 - Monitor your organization on the Networks

Great reading on Social Media

- American Banker, Nov 2010 – Seize the Conversation
 - http://www.americanbanker.com/btn_issues/23_11/seize-the-conversation-1027768-1.html
- The Huffington Post, Fired Over Facebook
 - http://www.huffingtonpost.com/2010/07/26/fired-over-facebook-posts_n_659170.html#s115707
- Gartner 2010 Magic Quadrant for Social CRM
 - http://www.gartner.com/DisplayDocument?doc_cd=201531
 - <http://www.jivesoftware.com/resources/analyst-coverage>
- Half of social networkers post risky information, study finds
 - http://www.computerworld.com/s/article/9176265/Half_of_social_networkers_post_risky_information_study_finds
- ISACA, Top 5 Social Media Risks for Businesses
 - <http://www.isaca.org/About-ISACA/Press-room/News-Releases/2010/Pages/Top-Five-Social-Media-Risks-for-Business-New-ISACA-White-Paper.aspx>
- ISACA, Business Benefits and Security, Governance and Assurance Perspectives
 - <http://www.isaca.org/Knowledge-Center/Research/ResearchDeliverables/Pages/Social-Media-Business-Benefits-and-Security-Governance-and-Assurance-Perspectives.aspx>

Questions?

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