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The Dark Side of Social Media

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For the past few years, business owners have repeatedly heard about the marketing and customer relations benefits that social media can bring. However, a less often told story is about the risks that social media pose to businesses. There are many risks, but an awareness of them coupled with a few risk-management strategies goes a long way to ensure that company-related social media don’t succumb to the dark side.

Lost productivity squeezes a company’s profit margin, and no one can afford that in this economy. Social media also act as a platform for angry employees, upset customers or unethical competitors to damage a company’s reputation through disparaging posts and false reviews. Their negative comments can tarnish the good will of a business and cause potential new employees to second guess their decision to join a company. Workers’ posts also result in accidental or intentional disclosure of confidential or proprietary information. All the extra exposure and marketing that social media might provide won’t outweigh disclosure of a single trade secret.

User employ social use of social media also offer the potential to create legal liability for a company. Privacy rights, whistle-blower rights, sexual harassment, discrimination and wrongful termination are just a few of the legal implications.

Privacy violations may result from relying on information obtained from social media to make hiring or personnel management decisions. Employees’ unsavory comments on customers, competitors or other third parties set a company up for claims of interference with a business relationship, slander or defamation.

Moreover, not only can the posts themselves be the actual violation, but they also act as readily available evidence for trial. It can be difficult to get them removed.

Fortunately, a business owner can do a few things to reduce these risks. First, a company should develop a social media policy, train its employees on what the policy requires and educate them on how social media works (especially on privacy settings).

Human resources should include social media clauses in harassment and computer security training. It’s a good idea to get employees involved in the development of the social media policy, too. Then having a computer security or human resources employee sign a receipt of the policy in writing. In addition, business owners should use an online tracking tool to monitor the use of the company’s online social networking. Google Alerts is a free service that will send an email whenever Google’s search engine detects a reference to a specified search term in its indexed pages. Management can enter the company’s name or personal names and receive emails whenever new references appear online.

Finally, a business should have a plan for managing and responding to problems. It’s important to respond to any negative comments or reviews. Unaddressed posts not only look bad to third parties, but they also allow the original problem to fester with the poster and can turn into further trouble.

Some companies even hire full-time employees to respond to posts. While a dedicated responder may be beyond the budget for many companies, a little attention will go a long way in customer and public relations.

Business owners should be aware of the potential risks associated with social media. By using a social media policy, reviewing response plans and implementing a response plan, management can prevent issues before they arise and mitigate problems before they escalate.

Jason Anderson is the director of the Georgia Southern University Small Business Development Center. He can be reached at janderson@georgiasouthern.edu.

One of the most utilized and popular benefits of being a member of the Savannah Area Chamber of Commerce and Visit Savannah is our networking opportunities. In 2012, we had more than 7,500 business professionals in attendance. This year, we hope you will mark your calendar to join us in our many networking events scheduled for the months ahead.

On Thursday, March 8, from 5:30–7:30 p.m., we will host our Oyster Roast Business Connection at Tuffy’s Tank House in Thunderbolt. Meet us riverside and savor the fresh oysters, appetizers, beverages and networking with fellow area business professionals.

Sponsors include AT&T, Deemer Dana & Froehle LLP, Liberty Mutual Insurance Legends of Golf and Thomas & Hutton.

Continue to take advantage of networking opportunities as you meet us at Grayson Stadium for the Annual Sand Gnats Business Connection on Thursday, April 18, from 5:30–7:30 p.m. Enjoy America’s favorite pasttime with a birds eye view from the deck of Land Shark Landing and enjoy hometown fare from the best ball park in town.

Thursday, May 10, from 5:30–7:30 p.m. marks the date for the anticipated 11th Annual Taste of Downtown Business Connection. This event is held in Johnson Square, a great outdoor location. Be delighted by the unique array of artistry and tastings from more than 30 member restaurants and caterers. Last year, more than 900 were in attendance and able to make connections with fellow members and member guests.

On Thursday, May 17, we will honor one of our own with the Oglethorpe Awards Banquet and Ceremony. This black-tie cocktail reception and awards banquet will be the business event of the year to attend. The Chamber will bestow its highest award, the Oglethorpe Award, to Paula Deen Enterprises, a well-deserving member of the business community. Stay tuned for more details about this exciting event!

Your business has the opportunity to create a larger presence in the community and get maximum exposure through attendance and sponsorship of networking opportunities. All personnel of Chamber member companies may attend any Chamber event for the discounted admission.

We hope to see you soon. For more information regarding our events and/or sponsorship opportunities, contact small business and events manager Cally D’Angelo at 912-644-6459 or CDAngelo@SavannahChamber.com.

To join the Savannah Chamber, a membership organization that is 2,200 strong, reach out to business development manager Tina Hinson at 912-644-6407 or THinson@SavannahChamber.com.

Bill Hubbard is the president and CEO of the Savannah Area Chamber of Commerce. He can be contacted at 912-644-6421 or bhubbard@savannahchamber.com.

Sit in catbird’s seat when inflation hits

Two weeks ago, I laid out an argument that serious inflation is on the horizon and outlined several points on why I’m thinking this way. If you recall, my main point was that inflation affects your company and its customers, and they will pass this on to you.

What to do

Huddle with your CPA and develop a basic plan of attack to lock in as many of your overhead and supply costs as you can to control your expenses in the face of inflation later.

How to do it

Lock in major overhead costs. Purchase the real estate associated with your business because it’s generally better to own a piece of commercial real estate at a fixed (not variable!) rate that has predictable monthly loan service costs. If you own a building, consider occupying as much of it as possible now to avoid future inflationary increases. If you rent, look at lease extension with your landlord.

In today’s economic climate, your landlord will probably think you’ve made a good deal with a valued tenant who pays on time.

If you wait a year or two, you may find yourself negotiating with a landlord facing higher costs who wants to raise your rent by more than you can get a better price as soon as you vacate the premises.

Also try to lock in current pricing with major services for an extended period. IT service contracts, computer leases and some utility-type services are all candidates for examination.

Negotiate long-term contracts with major or critical suppliers.

Control your capital costs by acquiring hard assets that retain their value when the value of the dollar falls. Anyone who knows me knows that I counsel to avoid debt wherever possible, especially for depreciating assets. However, if you can acquire a hard asset and have a good use for it, then it makes sense to take on debt now to purchase a capital item at favorable interest rates and pay it off with cheaper dollars later.

Finally, work your prices right now even if it’s only a percent or two and do everything you can to get ahead of the price hike curve. If you can, you’ll be in the catbird’s seat while your competitors are feverishly cutting costs to hold their current pricing. When inflation hits, you won’t have to sock your customers with the same big increase that your competitors will when they can no longer hold the line and you can increase your market share at their expense.

The bottom line

Start laying your foundation now so you can control your pricing later when inflation hits. You can take several no-cost options right now to control your overhead and cost of product later. Other options require some capital outlay but will pay dividends when inflation appears and you can repay your major overhead and capital outlays with cheaper dollars.

Does this action plan make sense to you? Or am I chasing a left field hit from a right field position? I’ll look forward to your feedback at results@bgaccelerators.com.


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