

BUSINESS VALUATION ALERT

Social Media: What Is It and Should You Care?

by Barbara Walters Price

Overview

Social media tools have transformed the Web from a one-way communication vehicle to a real-time and interactive medium.

This article is addressed to business valuation professionals. Its purpose is to help you make sense of social media and decide if it is right for you and your practice.

We will introduce a few tools that might be useful, talk about the potential benefits and shortcomings of your participation, and suggest a strategy to help get started, should you decide to test the waters.

Social Media Can Help You and Your Firm

The greatest potential benefit of social media is its ability to generate broader exposure for you and your firm. This exposure will result in:

- Networking opportunities with current clients, as well as people you would not otherwise have knowledge of or access to;

- Increased traffic to your Web site;
- A rise in the search rankings for you and/or your firm;
- Strengthening of your personal and professional brand; and
- A powerful recruitment and retention tool for the millennial generation.

Many successful business appraisers get their best work by word-of-mouth marketing (referrals). Increasingly, social media is moving word-of-mouth marketing online. Here are some examples of this phenomenon from law firms using LinkedIn¹ and Twitter:

- “Attorney Thomas N. Shorter ... a shareholder in the Madison office of Godfrey & Kahn, S.C., says he has LinkedIn set as his homepage. Every time one of his 200 or so connections adds a connection, he is notified of that. If the new connection is someone that Shorter would like to know professionally, he telephones his connection and asks him or her to make an introduction. This has happened a number of times since joining LinkedIn ... and he has garnered a number of new cases and clients via this method.”
- “Among the Davis & Kuelthau s.c. lawyers ... was a partner who was skeptical [of social media] at first. But ... in response to two of his e-mails asking clients to connect, not only did they accept his invitation, but also, they contacted him, saying “I’ve been meaning to get in touch with you about ... Two new matters landed on his plate, with very little effort on his part.”
- Rick Telberg, president and CEO of Bay Street Group LLC and well-known author of *CPA Trendlines*, retells the Twitter success story of Andrew Rose, director of marketing and business development of Naden/Lean CPAs of Timonium, Maryland. Twitter helped Naden/Lean improve their search engine ranking. Per Andrew:²

... I started Twitter searching to see what people were saying, er, tweeting, about us. You can imagine my surprise when I found a post related to an industry niche blog we run describing how valuable our advice was. It was from someone I didn’t know. So I began following

FIGURE 1



him and thanked him for recognizing us in this public fashion, unsolicited.

And, the kicker? His tweet, reposting a link to our industry blog now ranks in the top 20 for a keyword in an organic Google search.”

Focus on Giving, Not Getting

To be effective in social media, you need to approach it with the right attitude. Focus on giving—providing information and resources. From there, you will see the most benefit.

Says Debra Helwig, marketing communications manager of IGAF Worldwide and author of the blog *Service Minded* (www.debrahelwig.wordpress.com) “All of it [social media] is putting bread on the water. You have to focus on giving, not getting. You must first be ready to learn and absorb and give back.”

Select the Right Tools

It has been said that 80 percent of the fuel on the space shuttle is used to get the shuttle into orbit, and rest of the mission relies upon the remaining 20 percent. So it is with social media. 80 percent of your efforts will be dedicated to just getting off the ground, so choosing the right tool is important.

If you are ready to jump into social media, let me offer the following advice to business valuation professionals based upon my experience as the marketing director in a business valuation firm. The tools recommended below are listed in order of importance given the limited time resources every business appraiser has.

LinkedIn. LinkedIn is a business-oriented social networking site designed for professional networking. This fact sets it apart from other popular social networking sites. LinkedIn is a powerful networking tool if used correctly.

If you only have time to commit to one social media tool, make it LinkedIn. Join LinkedIn, complete your profile, join several LinkedIn groups, and begin to build your network of “connections,” as LinkedIn calls your contacts.

Leverage the tool by updating your status at least weekly. Reach out to contacts for their input on article ideas or speeches, upload recent presentations, let your connections know when you will be in town, and join in the discussions in groups to which you belong. Once your profile is complete, spend at least an hour a week on LinkedIn, building your contact base. A tutorial on LinkedIn is beyond the scope of this article, but begin with the Help section of the service itself. In addition, there are several other Web sites that offer useful information.³

Chris Mercer, CEO of Mercer Capital, recently sent an e-mail to his LinkedIn connections to solicit advice on an upcoming

speech. “I received three responses on areas that I had not thought to touch on but they ultimately enhanced the speech. I saw two other benefits from this use of LinkedIn. I communicated to my network that I was speaking on this topic and then I sent a copy of the PowerPoint slides after the speech as yet another touch. Without the functionality of this tool, this would have been too difficult to even attempt.”

Why is LinkedIn my first recommendation? As of May, 2009 LinkedIn had more than 40 million registered users spanning 170 industries.⁴ LinkedIn is free to use, although there are paid options that allow greater flexibility in contacting others.

Remember that we have to know our target market(s). Attorneys are still a valued referral source category for many business appraisers, and attorneys have embraced LinkedIn. As of June 2009, LinkedIn shows 840,000 people within the law practice industry and, of those 840,000, a high percentage are lawyers.⁵ That is a 106 percent increase from December, 2008.⁶ So you’ll want to spend time where many in your target market spend time.

Google Profile. Google handles millions of vanity searches every day (“googling yourself”). To provide more control over search results, Google has provided Google Profile, which allows users to create a one-page bio. Users can add links to Web sites, blogs, on-line photos, and other social networking profiles such as LinkedIn and Facebook. People will see it on their results page when they do a Web search for the user’s name.

To create a profile of your own, create an account with Google. Then visit www.google.com/profiles/me and follow the directions. A profile can be completed in less than an hour. Remember to set up a profile page for your firm as well. (For an example of a Google Profile, visit mine at www.google.com/profiles/barbarawaltersprice.)

Twitter. Twitter is a free micro-blogging site. Entries, known as tweets, are limited to 140 characters. Twitter seems to be more of a one-way, one-to-many communications tool rather than a two-way, peer-to-peer communications network, yet it is worth considering.

My advice is to begin to find people to follow (via Twitter search, Twibes, or FollowMe), then lurk for a while to see what others are saying about you, your firm, or a practice niche. Then decide if you have the time to contribute content or can offer content that others might find useful. Focus the content on the professional, not the personal.

Twitter is a useful tool to point followers back to your Web site or blog. If you have 15 to 30 minutes a day to devote, and you have worthwhile content, give it a try.⁷

You can also use Twitter to help obtain press coverage. There are thousands of reporters on Twitter. Find those who write about

subject matter you can comment on, and follow them. You might learn of a story they are writing to which you can contribute.

According to Compete.com, as of February 2009, Twitter was ranked as the third most used social networking site⁸ although as of May 2009, its growth appears to have slowed.⁹

Blog. The term “Blog” is an acronym for “Web log” and is a type of Web site designed for journal-type entries. Each entry, or post, is presented in chronological order with the most recent post topping the list. Most blogs are textual, yet some are video-oriented (vlogs), audio-oriented (podcasts), or photo-oriented (photoblogs). Micro-blogging has also become popular via Twitter.

As of December 2007, Technorati.com was tracking 112 million blogs.¹⁰ A little over half of all blogs tracked in 2008 concentrate on personal or lifestyle topics and over a quarter focus on business topics.¹¹

A blog, done well, can be an extremely effective marketing tool. A blog can showcase particular expertise and experience. It can create a conversation with readers via the comment function. It can also improve search rankings and drive traffic to your Web site.

While it is easy to set up a blog, it is difficult to maintain one. This is the reason it is listed fourth in order of importance on my list. A blog needs to have a sharp content focus and be constantly fed. Authors should post at least twice a week, preferably three times a week. This requires a large commitment of time and resources.

There is currently a void in the business valuation space for a well-written blog. Only a few business valuation-themed blogs could be identified for this article and they are not often updated.

Before you begin to blog, know what your blog will be about, identify the author(s), draft several posts for future publication, and commit to it for at least a year. Then decide upon the appropriate blogging platform for your needs, design, and launch. Promote your blog in all your other marketing channels, link to other blogs, and leave comments on other blogs.

Jerry Work, president of Work Media Internet Marketing, says “Really, you just have to remember that you’re not blogging just to sell stuff—you are trying to build a community of people who are interested in what you have to say, and you are participating in a larger community-wide discussion that involves your blogs, as well as the blogs of others.”¹²

Facebook. Lastly, consider joining Facebook. It is the most popular free-access social networking site with more than 200 million users worldwide and over 60 million in the United States.¹³

According to the *istrategylabs.com 2009 Facebook Demographics and Statistics* report, the 35-54 year old demographic is growing fastest, followed by the 55-or-older group. The 25-34 year population is doubling every six months.¹⁴

Facebook is primarily used for personal social networking (current friends, old friends from high school and college, family, etc.). Contacts are called “friends.” But many users also incorporate professional applications. People use the status updates feature on Facebook to inform their network about blog posts, videos, or other items of broader professional interest.

Consider These As Well

HARO. Subscribe to HARO, or Help a Reporter Out. Philip Shankman, a self-described CEO, entrepreneur, and adventurer, began this project. Over 100,000 people subscribe to this free service. They receive at least three e-mails a day filled with queries from reporters about stories they are working on. The queries range from lifestyle to technology to business. If you see a query you can answer, contact the reporter directly. To subscribe, visit <http://www.helpareporter.com>.

Ning. Ning allows you to create your own social network around a subject of interest with your own visual design, choice of features and member data. Customization is an important feature, as users automatically have a customizable profile page. Ning offers both free and paid options.

YouTube. YouTube allows users to upload and share video clips. You can also paste videos from YouTube to blogs, Web sites, and other social networking sites. Videos appear in Google search results and video. If thoughtfully done, YouTube can be an effective way to present yourself, your firm, or a particular topic of interest.

These are some of the most popular social media tools and those I believe might be most beneficial to readers. This list is not all-inclusive. A more comprehensive list of social media marketing tools can be found at the blog Junta42blog.¹⁵

Be Aware of the Possible Shortcomings

Social media is not a panacea and it is not for everyone. Always keep in mind that there are opportunity costs attached to everything we do. Consider the following:

1. **Time.** One of the biggest opportunity costs is time. Social media participation can be time intensive. Many marketing experts advise posting to a blog at least three times a week, tweeting at least three to five times a day, updating your status on LinkedIn several times a week, participating in pertinent group discussions, and updating your Facebook status several times a week. Social media can easily consume half an eight-hour workday or more if you don’t have concrete goals and parameters.

2. **Loose Cannons.** Understand that you cannot always control the message. If your employees are engaged in social media, there is always the possibility that they may post something unflattering. For example, this year, an ad agency executive representing Ketchum was in town to make a digital media presentation to his client, FedEx, headquartered in Memphis, Tennessee.

The ad agency executive got into trouble when he tweeted unflattering remarks about the city of Memphis. It turns out that FedEx workers were among his Twitter followers and they did not react well to a vendor insulting their city. It caused embarrassment on many levels.

Here's the takeaway: If you, as an individual, believe in the virtues of being blunt, stay away from social media. People forget the massive reach of social media. Also, be aware that many, if not most, of your employees or colleagues are already engaged in social media in some form. A prudent course of action is to instate a social media policy at your firm.¹⁶

In another example, two employees at Domino's Pizza posted a supposedly humorous video on YouTube in which they were doing some disgusting things while making sandwiches. That video "went viral." While these were isolated acts by employees who claimed they didn't serve the contaminated food, they were subsequently arrested for food tampering and Domino's had a huge PR catastrophe to deal with.

3. **Distraction.** Don't ignore your other marketing tools. Social media can distract you from the importance of maintaining your other marketing strategies. Before spending a great deal of time on social media, make sure your Web site is up-to-date and full of useful content. Your Web site is still your premier marketing tool and each social media tool should drive traffic to it. Don't neglect e-mail newsletters, direct mail and other targeted marketing tactics. Finally, and most important, social media does *not* take the place of in-person meetings. While social media extends your reach, it is a tool in your toolbox. It is not *the* toolbox.

Before you begin any marketing strategy, much less a social media marketing strategy, identify your target market(s), develop clear objectives, and devise a strategy. Then review a variety of social media tools and choose those that have the greatest chance to accomplish your goals.

Conclusion

If the idea of social media intrigues you and you can see benefit to you and your firm, begin to participate. As Kelly Hutson of ProCommunicator (www.procommunicator.com) wisely advises, "I'd caution you not to jump into the deep end of the social media tool pool and start posting all your photos and commenting on the state of the Union. [M]ake a decision early on what each of these tools is meant to accomplish for you. Is it for personal relationships? Business contacts? Purely professional?"

I have found participation in social media to be both professionally and personally rewarding. I have received invitations to speak and opportunities to publish articles directly as a result of my blog. In addition, search results for my firm improve when I post about the firm's activities. Through my network on LinkedIn, I have met other professionals who I never would have otherwise known, and I have received invaluable help with publishing projects as well as marketing advice for my firm.

To quote a commenter to a recent blog post on social media, "At the end of the day it is about human interaction. It's nothing complicated—technology simply empowers these processes."¹⁷

Good luck in your journey.

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SOCIAL MEDIA IS HERE TO STAY

Social media advocates proclaim that there is a sea change underway in the manner in which we communicate and disseminate information. What are some examples?

- When a bystander snapped a picture on an iPhone of U.S. Airways Flight 1549 floating in the Hudson River and sent it via Twitter to friends, who sent it to friends, who sent it to friends, and it appeared on local and national news—all in real time—that is social media in action.
- When a 47 year old Scottish woman, Susan Boyle, wows Britain and the world via a YouTube video, that is social media in action.
- When people create "groups" on Facebook around causes about which they are passionate and find like-minded people to join who, in turn, find like-minded people to join, that, too, is social media in action. It is what Seth Godin, marketing expert, calls creating "Tribes."

One point should be acknowledged—social media is already a fact of life!

End Notes

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- ⁴ *Wikipedia*, <http://en.wikipedia.org/wiki/LinkedIn> (Accessed June 14, 2009).
- ⁵ *Stem: Law Firm Web Strategy Blog*, <http://www.stemlegal.com/strategy-blog/2009/linkedin-lawyers-hit-840k> (Accessed June 12, 2009).
- ⁶ *Ibid.*
- ⁷ *Mashable*, Philip, Bruce, (June 12, 2009), “5 Habits of Successful Executives on Twitter,” <http://mashable.com/2009/06/12/twitter-executives/> (Accessed June 15, 2009).
- ⁸ *Compete.com*. Kazeniac, Andy (2009-02-09). “Social Networks: Facebook Takes Over Top Spot, Twitter Climbs,” <http://blog.compete.com/2009/02/09/facebook-myspace-twitter-social-network/>.
- ⁹ *Harvard Business Blog*, Heil, Bill and Piskorski, Mikolaj (June 1, 2009), “New Twitter Research: Men Follow Men and Nobody Tweets,” http://blogs.harvardbusiness.org/cs/2009/06/new_twitter_research_men_follo.html (Accessed June 15, 2009).
- ¹⁰ *Wikipedia*, <http://en.wikipedia.org/wiki/Blog>. (Accessed June 14, 2009).
- ¹¹ *Technorati*, “State of Blogosphere 2008.” <http://technorati.com/blogging/state-of-the-blogosphere/the-what-and-why-of-blogging/>. 54% of blogs tracked focused on personal/lifestyle subjects. 27% of blogs tracked focused on business topics.
- ¹² Quoted from the soon-to-be-released, yet-to-be-titled social networking book written by Jerry Work of Work Media Internet Marketing. Jerry graciously allowed me to review a draft copy. It is packed with useful information and it is not written in techno-speak. Any professional can pick it up and glean helpful information immediately to allow them to get started in social media. Visit <http://.workmedia.net> to inquire about the book.
- ¹³ *Wikipedia*, <http://en.wikipedia.org/wiki/Facebook>. (Accessed June 14, 2009).
- ¹⁴ *Istrategylabs*, <http://www.istrategylabs.com/2009-facebook-demographics-and-statistics-report-276-growth-in-35-54-year-old-users/> (Accessed June 14, 2009).
- ¹⁵ *Junta42blog*, http://blog.junta42.com/content_marketing_blog/2009/06/42-online-content-sharing-and-productivity-tools.html.
- ¹⁶ For a good example of a social media policy template, see Law.com Legal Technology, Wong, James (June 15, 2009), “Drafting Trouble-Free Social Media Policies,” http://www.law.com/jsp/legaltechnology/pubArticleLT.jsp?id=1202431410095&src=EMC-Email&et=editorial&bu=LTN&pt=Law%20Technology%20News&cn=Itnda_20090615&kw=Drafting%20Trouble-Free%20Social%20Media%20Policies (Accessed June 17, 2009).
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