

MAGAZINE ARTICLES

No degree of separation



Social networking creates endless connections for business

By Eric Peterson

The water cooler just isn't what it used to be. Nowadays, office gossip isn't the only game in town, with a slew of social-networking websites offering users the means to create a custom profile and instantly communicate with friends — real and imagined — all over the world.

From the entertainment-oriented MySpace and Facebook to the business-savvy LinkedIn and Plaxo, dozens of social-networking sites are creating new ways to interact on the Web, and more and more users — and uses — emerge every day. An emerging mobile niche led by Twitter integrates cell phones and location.

To be sure, some of these uses are terrific business tools — namely in the areas of marketing, human resources, knowledge management and networking. And to be certain, many other uses are purely social or entertainment, terrific for employees to take their productivity down a notch.

"You have to have sensible policies," says Eric Wu, director of project management at Fuser, a Boulder-based startup that consolidates a user's e-mail accounts and social-networking streams into one convenient home page. "I have heard about companies that are concerned about people wasting time."

Fuser has an open policy, says Wu, noting, "Our president says this is one of the few jobs where you can get paid to play on MySpace." Of Fuser's 28 employees, Wu gladly admits some are in the "addict realm" when it comes to social networking, with Twitter, MySpace, Facebook and LinkedIn being the most popular sites.

But the open policy is not a drag on the company's productivity — Wu finds it has the opposite effect.

"It lowers the barrier for communication with customers and communicating within the company itself," he says. "Being a startup, we've got a lot of work to do. We don't see people's productivity declining."

As its name subtly implies, Fuser's business model is based on bringing productivity to its users' online communication by fusing their various social-networking profiles and e-mail addresses. "At some point, it becomes overwhelming," says Wu, who says his Fuser offers a convenient way to bring the constantly expanding universe of social media back into one small world.

"It's hard to manage 12 communication streams," he says. "We hear, 'I've got three e-mail accounts and I'd like to have one, but there's two addresses I can't get rid of.' Fuser takes care of that problem. From one single login, you can get e-mails and keep an eye on all of your different social-networking profiles."

Wu says social media offers a unique "auxiliary conversation" in which people communicate via comments and comments on comments. "People are not going to get involved unless they know me as a thoughtful contributor."

"I definitely think more large companies will start seeing the value in it," adds Wu. "First off, you have to understand it's a participatory medium. If not, it's going to fall flat. At the heart of it is a personal branding exercise."

Social networking's "lowest-hanging fruit" in terms of business utility is building and maintaining a professional network, Wu says. He also points to recruitment (Fuser uses LinkedIn to post jobs and set up interviews) and sales prospecting as other key utilities. "And everybody is using these things for brand-building," he adds.

Few companies in the country are as focused on brand-building via social media as Collective Intellect in Boulder. Tim Wolters, chief technical officer and co-founder, has personal profiles on Facebook, LinkedIn and Plaxo, and he writes a personal blog. The company also has a blog and encourages its 42 employees to use social media during working hours.

It makes sense: Collective Intellect's business is helping customers track, understand and use social media, Wolters says. "The rules of marketing are in the midst of being upended. People are doing their marketing for them. It's outside of their control now. Companies are becoming part of the conversation and adding value to it, but it's the customer that's in control now."

"Focus groups still have their place," Wolters says, "but if you don't reach out and engage your customers, you're going to be more disconnected than your competitors. The worst-case scenario is you lose a huge hunk of market share."

Wolters says General Motors' recent announcement that it was moving half of its \$3 billion in annual advertising expenditures online sent shockwaves through the industry. The big difference between traditional one-way advertising and marketing online with social media is that authenticity is a key, Wolters says.

Because customers are doing their own unpaid marketing — or detracting — by commenting online, a company has to play by new rules that are much more personal than TV, radio or print would ever allow. He points to "false starts" from Wal-Mart and Microsoft involving salaried bloggers who were disguised to look independent and unpaid; Microsoft has since "rebounded" by becoming more open than ever.

"We promote engagements," says Wolters, outlining a strategy of promoting to online "influencers" who can push their message out if they think it's worthy. "Try to push something viral. Maybe it goes viral, and the company saves \$2 million."

Wolters offers an example of a client, a major automobile manufacturer, that created an ad in a "World of Warcraft-style setting" where its truck battled a videogame-villain dragon. Collective Intellect identified and contacted key influencers when the video was pushed onto YouTube.

The influencers posted links to the ad on their own blogs and profiles, and it garnered more than a million viewings in a week. Later, the spot became a Super Bowl ad. (Super Bowl watchers or anyone with a few seconds to spare on Google can figure out it was Toyota.)

This is just one high-profile example; Wolters believes any company can use social media in one way or another. "All of the social **networking sites have utility** — it just depends on the market," he says. His view of the major sites: MySpace is nearly pure entertainment, Facebook is mostly entertainment with some professional-oriented features, and **LinkedIn** and Plaxo are **business-focused**.

It doesn't have to be a free-for-all, however.

"There are public disclosure policies to consider," Wolters says. "It all depends on how the company views participation." Sun Microsystems is pushing to become totally transparent and encouraging interaction, he says. More "paranoid" organizations tend to shun social media in all its forms, he adds.

The most progressive companies utilize "social networks within the enterprise" to help with the brain drain that comes with the retirement of the baby boomers, Wolters says, calling it "a new version of knowledge management."

And it's quickly becoming an indispensable tool for recruiters. Brian Shellhorn, Denver area manager for Aquent, a Boston-based staffing firm for the advertising and marketing industries, says LinkedIn is an especially good recruitment tool for designers and marketers. About 300 of 1,000 Aquent employees worldwide have Facebook profiles. Shellhorn says he uses his profile for business exclusively "as a recruiting tool."

It's also useful for the company's salespeople, Shellhorn adds. "From a client-development standpoint, my sales rep will use these tools to find contacts within target companies," he says. "It's a warmer introduction than cold calling, especially with LinkedIn."

Just as human resources is playing by new rules using social media, Shellhorn is also quick to warn job-seekers about what they post online.

"If you're looking for a job, it's best to be cognizant that this stuff is in the public forum. Questionable material is not a good idea," he says. "Once a week, we tell people they can't put a sample on an online portfolio on the Aquent site. Some material is just not appropriate for corporate clients."

But this is a two-way street for hiring companies. "What's happening today is there's a lot of data available, but people are misusing the data, and it's irrelevant for the decision they need to make," says Jerry Thurber, president of Fetch Footprint in Fort Collins. Sites like MySpace and Facebook "were not meant for people to be using it during the hiring process and now people are using it to hire. That's wrought with several problems" — including numerous legal issues.

Fetch Footprint is a subsidiary of El Segundo, Calif.-based Fetch Technologies, a "deep Web search" company that grew out of an artificial-intelligence research group at the University of Southern California. Its business is the "remarketing of

people data" to human resources departments, real estate companies and organizations that need to do background checks.

Fetch Footprint searches public records of all kinds for its data, as well as social-networking sites and the Internet in general, returning "targeted information rather than broad-based data," Thurber says. "The typical searches today are a mile wide and an inch deep. Our tool is an inch wide and a mile deep."

Thurber says most employers use Google to hunt applicants' names and otherwise poke around for information online. "It's pretty random," he says. "They're not using data that is relevant to the hiring process. The Internet is literally the world's largest source of information, but it's very difficult for businesses to use that data."

Every part of the hiring process must be "repeatable and trackable," Thurber advises, and that's hard to do if hirers make judgment calls based on MySpace profiles. "If you use data out of context, have you really used it fairly?"

In the end, social networking is mostly about what its name implies: networking. Hundreds of millions, if not billions, of different networking profiles exist on every corner of today's Internet. There are MySpace pages for activist groups, consumer products, dead celebrities and perhaps 100 million real people. This means that these sites offer a means for professional networking — on steroids.

"Each site offers something different," says Diane Nagler of Diane Nagler Public Relations in Denver. She personally uses LinkedIn and Facebook primarily. "It's amazing who I've reconnected with and how it helps me grow my business. I've gotten new business from LinkedIn with clients I'd never even talked to on the phone."

Nagler says online social networking offers a new door on which to knock — and there's a better chance a real person will open it. After trying for years for a contact at Us Weekly — a "holy grail" of an outlet to some of her clients — she found the Facebook profile of an editor who turned out to be a friend of a friend.

In just a few keystrokes, Nagler fostered an enviable professional contact. "It's easier for her to manage Facebook rather than just having e-mail pile up in her inbox."

