



Case Study

Managing Risk in Regulated Industries

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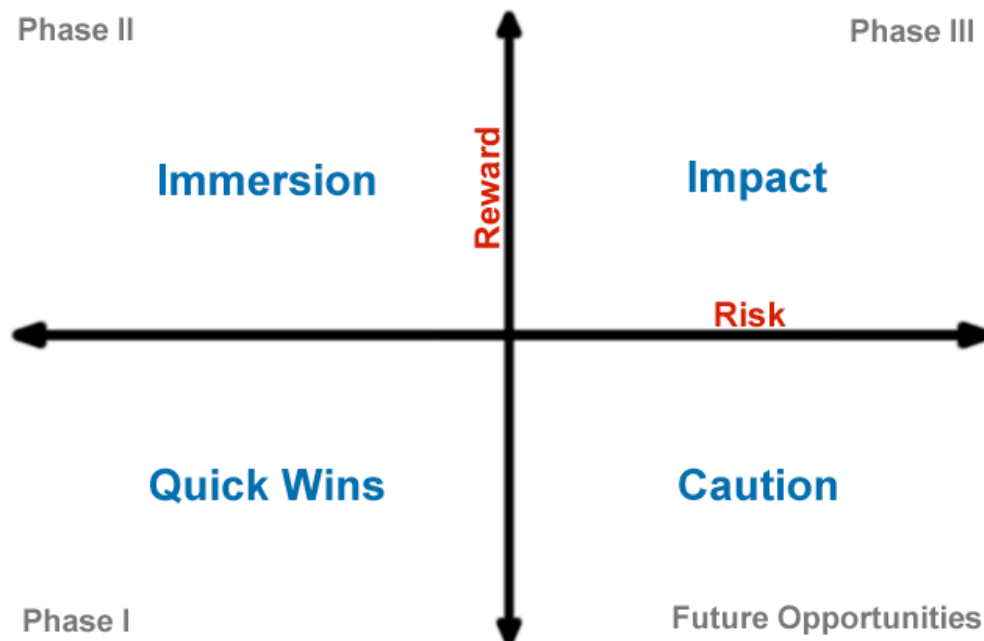
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An increase in the number of social technologies that are available to both companies and individuals has not only increased the number of messages produced, but has also disseminated the messages among many channels. It's nearly impossible for your employees and consumers to keep up with the ever-increasing stream of information that's available. As a corporate entity, it's just as hard for you to keep up with all of your employees and customers. There's not enough time in the day for you to interact with everyone in his or her separate social network. In-depth listening can help locate the most effective social channels, identify major themes in conversations about your company, and determine the risks and rewards of engaging in each.

We recently finished an engagement with a client who operates in a regulated industry. The client wanted a broad overview of where they stand in the social media landscape as part of a larger effort to create a social strategy. Where were they being mentioned? In what light? Are there other important conversations, not necessarily directly linked to them, which they could either benefit from engaging in or suffer from ignoring? And the big question – what is the risk of engaging when you operate in a regulated industry?

Common wisdom says that being a large company in a regulated industry somewhat forfeits your ability to conduct business in a social manner. There are just too many rules; it's just too risky. Right? There is some truth to this belief, but we think there are several ways to engage. Think of social engagement in phases, balanced by the risk and reward of each, as illustrated in the graphic below.



Phase 1 – Quick Wins

Many large organizations have disparate social media efforts—one department is using Twitter, one is using an internal social network, one a wiki, one Facebook, and so on. The only common thread is that no one is necessarily aware of the other department's activity, and no one is working together. Start by organizing your social media efforts to let employees know what everyone in the company is doing. For example, creating a dashboard of all your social activities not only shows to customers that you are active in the social space, but also helps employees to know what's being done in all parts of the organization. Organizing will also give you the opportunity to monitor all social media activity in one place, eliminating some of the fear of the unknown.

Phase 2 – Immersion

Once you have a bird's eye view of all social efforts, immerse yourself in listening to gain a better understanding of where you sit in the social media landscape. Try not to have preconceived notions about the conversations that are important. It's much better to explore all possible topics and then drill down based on what you find. Our client came to us completely open to what was being discussed—from the positive to the negative, brand-related to broader issues—a perfect starting point! We were able to look at their whole social media landscape and then narrow it down to the most important, reoccurring topics. There is no risk in listening, in fact, think of listening as a way to mitigate risk. It's riskier to not know what is being said about you, it's better to know, and be able to plan for engagement.

Phase 3 – Impact

Once you have listened and prepared for engagement, the next step is to demonstrate that you're listening. You're definitely in riskier territory once you decide to engage, so this phase is where your previous planning, from phase 2, is critical. As a result of immersive listening, you should have a plan for who in your company responds to what. Your listening learnings should identify which of your constituents are talking, where, about what, and even why – what motivates them to say what they do. One way to begin disciplined engagement may be to simply present factual information. If, for example, a blogger posts an incorrect statistic about your company, you could engage with them and their community by commenting with the correct statistic and linking to a reputable source (preferably, not yourself). Disciplined engagement, like fact-checking, shows the community that you are listening, but presents less risk than engaging full force.

Phase 4 – Use Caution

Although a natural next step would be proactive as opposed to reactive engagement, this is risky in a regulated industry because many conversations are highly polarized and emotionally charged. In fact, we recommended that our client avoid jumping in to any heated conversations because their social media landscape was so hostile. It's possible that there are some companies who should never fully engage; it's best to continue listening diligently and regularly revisit the potential risks and rewards associated with full engagement.

At the end of the day, it is important to remember that the goal for anyone engaging in social is to improve yourself as a social business. Rather than trying to “keep up with the Social Media Joneses,” determine when and where your constituents need to hear from you, and make an effort to engage with them then and there.

- Developing an engagement plan is important in all industries – regulated or not. If you are going to engage, be smart about it. You should know what makes your constituents tick before you ever start to type.
- Empower your employees to work more efficiently by giving them access to people and information across departments.
- If your company isn't quite ready to engage in social, listening provides a perfect opportunity to start small. You can begin with free tools like Google blog search, Twitter search and some light analysis.

Knowing your social media landscape will help lower the risk of engagement and improve internal efficiencies, and with an understanding of where you stand, you can take steps to improve your business accordingly.

Of course, all companies are different, and a listening program should be customized to fit your specific goals and needs. If you would like to know more about your social media landscape and how to engage with your community, we would love to work with you.

About Dachis Group

Founded in 2008 by Jeffrey Dachis, Dachis Group was created to unlock the value of social technologies for large corporate enterprises. We do this through an approach we call Social Business Design: the intentional creation of dynamic and socially calibrated systems, process, and culture. Social Business Design improves value exchange between constituents. It's a new way of structuring businesses to harness opportunities presented by customer participation, workforce collaboration, and business partner optimization. The company's strategy is backed by a commitment from [Austin Ventures](#) to build and grow organically and through acquisitions.