**Creating a Social Media Policy**

By Dr. David L. Lawrence

The overwhelming truth is that Social Media is here to stay. The simple fact is that hundreds of millions of people use social media and financial advisors are catching on to the benefits of listing their firms on such services. Financial Advisors are wise to embrace this new communication medium. But, there are a number of issues to be addressed as they embark on a communications strategy. Chief among the issues to be addressed is the issue of creating a social media policy.

It is certainly a great idea to make use of free advertising media, but in doing so, there are a few issues to confront, such as how employees, clients and others may perceive this use and what rules should be in place to ensure compliance. Such a policy needs to address more than just using social media, and study how such a use can affect their clients and their employees.

Let’s first take a look at what the various steps in creating a social media policy should be. First steps are to reflect on what the impact social media can have on your financial practice:

* Listening is critical
* Match the social network(s) to your firm culture
* Simplicity with a plan
* Archive, monitor & measure

Having said this, to create a social media policy, several factors need to be considered. There are essentially six parts to a social media policy:

1. **Managing Social Media Accounts** – You will need to determine who is authorized to use, monitor and communicate through social media sites. You will also need to decide on which social media sites you will be using. You will need to determine what technology may be used to support such use. And, you will need to develop a policy on how to deal with negative posts/communications within those sites. If your firm is associated with a broker/dealer, chances are that use of a service such as Facebook may be required to be truncated. By this, you may be required to set up your Facebook account to not allow posts to your wall (for instance).
2. **Company-wide Proper Use policy** – developing a social media policy requires a consistent approach to how you use the various social media sites, with the look, feel and messaging that is used as well as a set of guidelines for you and your staff to follow.
3. **Written and/or Visual Content** – the actual content of a social media site is critical and should be considered in any social media policy. Such content should reflect similar, consistent messaging shown on the financial advisor’s website and other communications. Use of visuals, such as photos, charts, etc., should be carefully reviewed before posting.
4. **Legal Constraints** – Your social media policy should list any and all applicable laws, regulations, and compliance standards (where applicable).
5. **Employee conduct** – This includes Employee’s personal use of Social Media. This is a critical issue in that employees could inadvertently mention their affiliation to your firm without your knowledge and create inappropriate advertising through posts made to their site, without their knowledge, control or yours. Also among the issues to confront in a social media policy is the use your employees employ with social media sites. Whether they like it or not, working for a financial advisor requires them to be subject to certain scrutiny and regulations. Quite frankly, if an employee, for instance, has a personal Facebook site that references his/her relationship with a financial advisory firm, and there are unsolicited posts to that site, it could be construed as advertising (or inappropriate advertising) under current regulations. Employee conduct on Social Media Sites may need to be monitored in some way.
6. **Security Protocols** – this is perhaps the most controversial issue of a social media policy. There are now a number of tools available to assist firms in policing and/or monitoring social media use.

Some of the tools you may wish to consider are:

* **Hootsuite**, ([**www.hootsuite.com**](http://www.hootsuite.com))
* **Seesmic**, ([**www.seesmic.com**](http://www.seesmic.com)) **-** observing social streams from connections & followers (social Media Dashboards)
* **Sprout Social** ([**www.sproutsocial.com**](http://www.sproutsocial.com)**)** - provides an analysis of social presence & followers
* **Bit.ly**, ([**www.bitly.com**](http://www.bitly.com)) - tracks the links you share with other websites, offers a link redirection service
* Two ways to evaluate your social “network” and identify influencers
	+ **Peer Index (**[**www.PeerIndex.com**](http://www.PeerIndex.com)**)**
	+ **Klout.com (**[**www.Klout.com**](http://www.Klout.com)**)**
* TweetDeck ([www.tweetdeck.com](http://www.tweetdeck.com)) monitors twitter accounts and was actually developed by Twitter
* Social Motus ([www.socialmotus.com](http://www.socialmotus.com)) is a platform for social media marketing and monitoring
* Vocus ([www.vocus.com](http://www.vocus.com)) is yet another monitoring tool

For those firms wanting absolute control, keylogger software may be the answer. Keyloggers typically record and/or monitor every keystroke entered by employees. While this is certainly intimidating and may even be an invasion of privacy on one level or another, for firms with security and regulatory concerns, this might be a solution to consider, particularly if the firm discloses its use with employees and others. One such solution (a typical example) that goes way beyond the keylogger type functionality is a program called Interguard ([www.interguardsoftware.com](http://www.interguardsoftware.com)).

Interguard offers a suite of services that include:

* Listing all websites visited
* Email and any/all webmail
* Instant messaging/chat
* Social network sites visited and activity on those sites
* Keystrokes typed
* Web searches
* Application use
* Alert words (such as flagging words like ‘guarantee’, etc.)
* Screen shots

However, Interguard also provides an additional layer of services such as:

* Web surfing
* Program usage
* Storage , movement and handling (deleting, retrieval and modifying) of critical files (data)
* And, much more

And while Interguard is used as an example, there are many such programs available and the number is growing. Before investing in such software, you may wish to check with your institution, custodian, broker dealer or other support firm to see if they already have a solution in place or if they offer such solutions to their advisors/reps at a discount. Many broker dealers already have such tools or are in process of developing them for their field reps. Understanding what the institution is monitoring may help better understand what you may need that goes beyond what is already in place.

In developing a social media policy, there are a number of resources available, including templates and services. Advisor websites (<http://advisorwebsites.com/blog/social-media/creating-a-social-media-policy-for-your-organization/>) offers resources to financial advisors looking to develop a policy. And, Wired Advisor ([http://www.wiredadvisor.com/resources/advisor-compliance/#](http://www.wiredadvisor.com/resources/advisor-compliance/)) is another firm that offers such services. However, there are many others.

Quite simply, developing a social media policy is only the first step. Using social media requires effort, diligence and an ongoing commitment to keep up with the communications. It is not a static solution. Similar to running a blog, someone has to keep up with it. It is a constant, consuming task and, if you are serious about using social media in your firm, you need to make a substantial commitment of time and, to some extent, expense to optimize its use.

David L. Lawrence, PhD is Co-Founder and President of Global Practice Network, a technology and consulting firm that provides financial practices, broker dealers and independent firms with comprehensive, profit-driven efficiency consulting, technology solutions and resources. For details, visit [**www.globalpracticenetwork.com**](http://www.globalpracticenetwork.com) .