



# Risk Matters

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## In This Issue

- **Social Networking: Business and Pleasure - Opportunity and Risk**

Risk management is for decision makers.

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## Social Networking: Business and Pleasure - Opportunity and Risk

Communications via social networking has exploded in the past few years. Many organizations now recognize that it is a fantastic means of keeping in touch with customers. And for customers to tell each other what they like, and do not like, in the marketplace. Therein lies the rub.

People can 'like' you – or they may not. They may say wonderful things about your organization, its products and services – or they may say terrible things. How your organization manages these extremes, and the many levels between them, will form your corporate image for better or worse. It's a social filter that we haven't learned yet. As Giles Crouch, chief executive officer of MediaBadger, a social media research and consulting firm in Halifax says: "It's like a formal dinner party. We don't know what fork to use."

Unfortunately, many corporate managers are unfamiliar with the potential for social media to establish the corporate image as fast as emails can circle the world. (Or travel the corporate community!) Risk managers know that an unidentified risk is an un-managed risk.

Public entities' aversion to negative publicity is well known. Public entity risk managers should know, at the least, of the various dangers that exist in social media. This knowledge will prepare them to inform senior management of the hazards and possible solutions. Key threats include:

- Unapproved on-line use of trademarks and copyrighted materials – use of copyrighted photographs without the photographer's permission.
- Negative statements by employees about the organization, its policies and procedures – a reprimanded employee who tells the world all that they see as wrong with their boss, managers and co-workers.
- Negative comments by employees about individuals or companies who do business with the organization - e.g. an employee who ranted about dealing with a citizen who complained about service.
- Publication of information deemed to be a private business matter until complete – e.g. a pending real

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"Electronic discovery issues in litigation are a particular concern ... Originally an issue related to corporate email, lawyers are now counselling their clients to stop Facebook and Twitter activity during litigation and caution that anything that already exists may be used in trial "

~ Scott Read, Manager in the  
Legal Business Consulting group ~

estate deal.

- Protection of individuals' privacy – deliberate or inadvertent release of personal information

Organizations can begin managing social media risk by managing employee (and volunteer) expectations. Clear, concise corporate policies establish the employer's boundaries and expectations. Without a policy, employees can argue that they were not provided guidance. Important points to consider when drafting your corporate policy are:

1. You do not have to begin with a blank page. There are many template policies you can access to give you some ideas where to start.
2. You will want your policy to be a clear, concise statement of the responsibilities, obligations rules that want your employees to use when networking.
3. Review your existing policies. (e.g. respect in the workplace, confidentiality and internet usage) Then determine what needs to be done to create a policy that complies with privacy legislation.
4. Outlawing the use of social media simply isn't possible. You need to instill the understanding that, their on-line relationships are not permitted to jeopardize public images, or speak on behalf of the corporation without authorization, that policies relating to confidentiality, workplace respect, and so apply..
5. Finally, be sure that employees are informed of the policy, its contents and how it will be enforced.

By writing an up-to-date corporate policy that deals with social networking activities, you will be in a better position to reduce both legal liability and business risks while acknowledging the prevalence of social media in the lives of today's workers.

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