# MITRATECH

# HOW POLICY MANAGEMENT CAN DRIVE SOCIAL MEDIA COMPLIANCE

# INTRODUCTION
# Policy Management

**Picture the scene:** It's Friday evening, and an employee has been asked to update a client report, which means working late. That person had planned a night on the town with friends, so what does he or she do? Turn to social media to vent a few frustrations.

Ranting on social media is nothing new. We've all seen similar tirades from friends on Facebook and Twitter, or photo uploads via Instagram or Snapchat.

But how much latitude should an employee really have when it comes to complaining about the boss, discussing corporate information, or sharing that "harmless" snapshot of a colleague goofing off on company time?

While free speech is an important human right, exercising it irresponsibly in the age of social media can also cause irreparable, permanent harm to organizations (and, ergo, to their shareholders and other employees) when

embarrassing photos, statuses and tweets go viral on the Internet. Yet a 2016 Pew Research Center survey found that only half of the employees surveyed worked at a company that had a social media usage policy of any kind.

Financial institutions have been forced to shut down social media forums due to negative feedback; stock markets have been rocked by fraudulent social network postings; organizations have had to change or rescind strategies in response to the force of social media. While others have suffered brand damage due to the power of social media to send instant negative impressions around the globe.

# SOCIAL MEDIA MISSTEPS
## at the C-Level

Even company leaders – who are expected to know better – can make these kinds of mistakes:

- RBS Investment bank chairman **Rory Cullinan** – described by investment analysts as a "phenomenal" executive – used the photo-sharing app Snapchat to send images to his daughter with captions including "Not a fan of board meetings xx", which his daughter then posted on Instagram. Cullinan left RBS amid accusations that he wan't being seen as taking his role seriously.

- The Securities and Exchange Commission makes it clear it will come down hard on firms for careless social media posts. Like many Facebook and Twitter devotees, **Gene Morphis**, CFO of clothing retailer Francesca, used social media to share his thoughts. But unlike most users, he was also an officer in a public company. After a positive meeting of the board, he fired off a seemingly innocuous tweet from his private account: "Board meeting. Good Numbers. Happy Board." His seemingly innocuous comment actually revealed company earnings to his Twitter followers before they were made available to shareholders. That made his employer vulnerable to prosecution under insider SEC trading laws – an oversight that cost him his job.

- The most glaringly public (and expensive) recent example? **Elon Musk**'s 2018 tweets about the possibility of taking Tesla private ended up costing the company **$30.1 million in settlement and legal expenses.** That included paying $20 million to the SEC, and Musk had to step down as chairman of the board for three years.

# PROTECTING THE ENTERPRISE
## via Policy Management

When mistakes of this nature arise, it's crucially important that organizations are able to immediately demonstrate that any wrongdoing may have been as a result of the actions of a rogue employee, rather than as a result of a widespread non-compliant corporate culture.

One way to implement a social media compliance process that demonstrates the company's commitment to exercising best practices is to deploy an industry-standard Policy Management solution that adheres to FCPA legislation, ensuring a clear compliance audit trail for the benefit of the board, senior management, auditors and regulators.

At a time when even clicking on a Like button on a Facebook post can run afoul of SEC rules, it's critical for firms to ensure all employees understand the value and importance of social media policies and procedures.

**Policy Management software** ensures the right social media policies and procedures get to the right people. So that they become accountable by acknowledging those policies, and this entire process is recorded and auditable.

Such software also provides a company with the ability to train employees, who can then attest that they understand the company's standards for social media compliance, and also allows the company to monitor them to ensure adherence and provide quick response to any violations.

In an era where news and gossip can spread like wildfire, when social media policies and procedures are evolving all the time and new networks are entering the arena almost daily, the need for robust software solutions that safeguard organizations and embed a culture of social media compliance, should be every organization's top priority.

# SOCIAL MEDIA
## Compliance Tips

In the fast-moving world of social media, there's no crystal ball for predicting exactly what situations may arise. Every social media network is different, each relationship is unique, and it's an environment that's changing every hour of every day.

With that said, a company can equip itsefl with some proven tips for achieving social media compliance:

- **Take a team approach to writing a social media policy** so that any future challenges that arise are handled appropriately. A social media policy cannot be written by one person alone; it must be unique to your organization, and include input from all major departments, such as communications, IT, marketing, legal, human relations, and compliance.

- **Create two social media policies to avoid confusion:** one for employees using social media for their job and one for using social media for their personal lives.

- Social media is organic, evolving every day. **Aim to achieve a culture of innovation, idea-sharing, problem solving and creativity,** with policies and procedures that emphasize training, support and evaluation.

- The social media landscape is continuously changing. **Focus on 'the bigger picture' rather than specific social media sites**, otherwise your policies and procedures will become out of date very quickly.

- Remember that humans are fallible, as the cases cited above demonstrate. All too often mistakes are borne from ignorance rather than malice. **Educating employees with robust social media policies and procedures** that are dynamically communicated and enforced will help to prevent problems before they even arise.

# ABOUT MITRATECH

Making the case for investing in a legal management technology to an internal audience of legal, IT and business decision-makers can be long, challenging process. Which is why working with a knowledgeable, proven vendor is critical. You want a partner that provides technology with proven best practices to manage legal operations and control legal spend, one whose software is sophisticated yet easy to adopt and use, and doesn't require in-house resources to support and administer it.

For 30+ years, Mitratech has been helping legal professionals leverage the most intuitive, adaptable and flexible platform and solutions available. TeamConnect is the most-awarded legal management platform in the industry and was recently ranked the most widely used system in the 2017 HBR Consulting Law Department Survey, receiving even more accolades in the 2017 MarketView™ Report on Enterprise Legal Management by Hyperion Research.

Our team would like to partner with you and empower the transformation of your legal operations, making Legal a hub of innovation and excellence for the entire organization. To discuss the benefits and ROI of legal management further contact us today.

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