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## Media Release

### 8 Key Components of a Social Media Policy

**Friday December 14, 2012.** Engaging in social media activities can be a wise and rewarding decision and activity for a large number of financial advisers said Mr. Claudio O. Pannunzio President and Founder of US based i-Impact Group. However, Pannunzio cautioned financial advisers to be aware of the many issues that need to be addressed prior to deploying a social media communications strategy.

“One of the most important issues is implementing a sound social media policy that provides a blueprint for interaction and establishes clear rules to ensure proper adherence to regulatory and compliance requirements,” said Claudio Pannunzio.

The goals of a social media policy are straightforward:

- Establish rules and procedures for all users when using social media sites
- Facilitate users' understanding of their responsibilities when engaging in online communication
- Promote and maintain compliance within all the applicable regulatory rules and professional association guidelines

Pannunzio said, “In addition, a social media policy can do more than just prevent potential problems for the practice. It can assist employees to be more closely aligned with the business objectives and facilitate a more pro active role by staff in the attainment of strategic goals.”

Pannunzio offered some of the basic components financial advisers should consider when creating a social media policy for their practice:

1. **Purpose** State why your firm is engaging in social media and the scope for putting in place a policy governing its use. This will help everybody in your organization attain a solid understanding of the reasons behind the firm's social media engagement.
2. **Definition** Define what you and your firm regard as social media and how your firm will leverage the various social media platforms to communicate with its external audiences.
3. **Users** Determine the professionals authorized to contribute to social media sites on behalf of your firm, specify what activities these individuals should be engaged in and establish who will be in charge of monitoring their activities.
4. **Ownership** Define the professionals responsible for creating and selecting social media content and establish posting guidelines and schedules.

5. **Content** The information you will provide via social media platforms is of critical importance. Clearly spell out the type of information that can and cannot be divulged via social media, unmistakably emphasizing what is considered proprietary or confidential information.
6. **Employee Conduct** Establishing a code of conduct will help you achieve two strategic goals:
  - ensure that communication is consistently transparent, ethical, accurate and adheres to compliance rules; and
  - prevent employees in their personal social media interactions from inadvertently or casually stating their affiliation to your firm without your formal approval, knowledge and control.
7. **Communication Risks** Establish general guidelines and best practices for the different platforms your firm is planning to use, referring to the appropriate compliance and disclosure regulations.

Create a list of subjects that should *never* be discussed and/or posted on social media, such as confidential information, financial details, legal matters and proceedings, as well as libelous or defamatory information, obscene images/content, information infringing third party's intellectual property rights, copyrights or trademarks.

8. **Negative Comments Protocol** Pannunzio strongly recommends to all adviser clients to develop a well-defined protocol on how to handle a third party's negative posts / comments on social media platforms.

These can include tactics such as acknowledging the negative comment and offering a solution; immediately deleting inappropriate comments of threatening, profane or obscene nature; or setting up social media accounts to *not* allow any posts/comments.

"In a very short period, social media has moved from 'nice to have' to a necessary component of a financial adviser's marketing and communication strategy as the medium offers opportunities to engage in conversations with clients, potential customers and communities with shared interests."

"A clearly defined social media policy that articulates the company's guidelines, expectations, standards (including behaviour) will address potential issues by providing the parameters that will safeguard the business and its employees," concluded Claudio Pannunzio.

**ENDS**

**Issued by Joe Perri & Associates Pty Ltd**

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