

Assessing Social Media Risk

Connecting, communicating, and collaborating can be very beneficial but can also hurt you.

Over the past few years, participation in social networks has exploded. Facebook recently surpassed 1 billion global registered members.¹ Professional networking site LinkedIn boasts 200 million members² and is growing rapidly. From the perspective of individuals, social media represents essential connection, communication, and collaboration.

Social media channels are also having a significant impact on companies more than ever before. These networks offer organizations a powerful tool to tap into new consumers, recruits and support business operations. When social media is used heavily by employees, customers, and other stakeholders for personal communications, these interactions may also affect the company, its image, and its products. Relatively few organizations have analyzed all the potential risks related to social media and seldom devise or implement a strategy to mitigate those risks.

Assessment can identify unnecessary risk.

Crowe Horwath LLP provides social media risk assessments to help your organization obtain a holistic view of the risks associated with this unique channel of communication. The process is designed to help companies develop a new – or significantly revamp their existing – social media strategy by creating an inventory of risks and threat scenarios to analyze the sufficiency of data protection and control.

A Crowe® risk assessment can provide you with a clearer picture of your organization's use of social media as well as the related impact. We can help you develop a risk-treatment action plan including a list of activities – such as policy

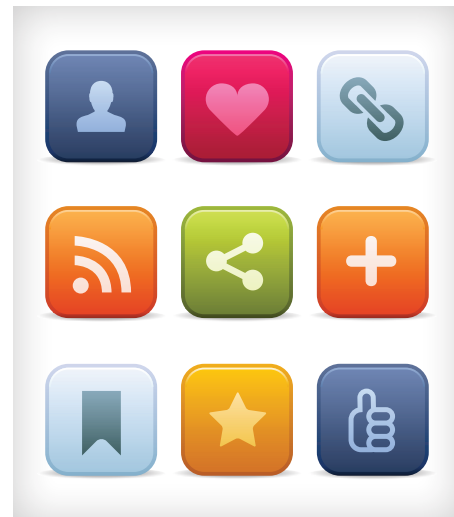
development, training, and monitoring – to determine where you will need to focus your efforts. Your action plan will be customized to fit your organization's social media profile to establish a road map to address current and potential threats.

Three important steps can help protect your organization.

Part 1: Employee Survey

Understanding employee use and perceptions on social media provides extremely useful information to understand the risk involved. In order to gather information to validate the risk assessment, Crowe will conduct a survey to poll employees throughout your organization on several key risk areas:

- What percentage of employees actively engages in social networking? Which social networking sites do they use?
- Do conversations on social networks ever include discussions about jobs, co-workers, or the company? When posting, do employees understand what is considered a trade secret or private customer information?
- When employees network with customers, other employees, or other stakeholders using social media, what is the nature of their interaction?
- Are employees trained on appropriate use of social media?



Part 2: Social CRM Analysis

When your customers, employees and other stakeholders participate in social media channels, will they paint your organization in a positive or negative light? Using new technology and tools, Crowe can help you monitor what is posted about your organization via social media channels. Working with some of the top social media monitoring services currently available, our technology risk professionals can perform a customer relationship management (CRM) data gathering exercise to compile data regarding your organization/brand, products, and services from social media sites.

Part 3: Risk Assessment Workshop

The results of employee surveys and CRM analysis will be discussed with members of your management team to review and evaluate your social media risk universe (see inset on next page). This process is designed to assemble all the critical stakeholders to discuss overall strategy and subsequent risks.

Reduction in vulnerability and improvement in corporate governance.

Technology risks can threaten assets and processes vital to your business and may prevent compliance with regulations, affect profitability, and damage your company's reputation in the marketplace. A Crowe risk assessment is a crucial first step to creating a methodical risk management process to quantify the likelihood of technology-, process-, and people-related threats hindering your organization from attaining its objectives in an efficient, effective, and controlled manner.

Crowe's experienced professionals offer deep subject-matter expertise in risk management, internal audit, fraud and ethics, security and privacy, and regulatory compliance to help keep you advised of emerging trends, industry benchmarks, and best practices. By combining in-depth industry skills with practical technologies and innovative processes, we can help you improve your corporate governance and manage your risk.

A social media risk universe is determined by input from leaders in these and other departments:

- Audit
- Compliance
- Human Resources
- Information Security
- Information Technology
- Legal
- Marketing
- Public Relations
- Recruiting
- Risk Management
- Sales

Contact Information

If you would like more information regarding a social media risk assessment, please contact Vicky Ludema at 800.599.2304 or vicky.ludema@crowehorwath.com.

¹ Josh Constine, "Facebook's Growth Since IPO In 12 Big Numbers", May 7, 2013, <http://techcrunch.com/2013/05/17/facebook-growth/>

² Andrew McCarthy, "10 Amazing LinkedIn Statistics", visual.ly, May 2013, <http://visual.ly/10-amazing-linkedin-statistics-2013>