



Book Tactical Transparency

How Leaders Can Leverage Social Media to Maximize Value and Build their Brand

Shel Holtz and John C. Havens
Jossey-Bass, 2008

Recommendation

Shel Holtz and John C. Havens have tremendous experience with a range of social media, and both this experience and their zest for its possibilities come through clearly. This lively, timely book's core message is simple: In the digital age, transparency is a requirement, not a choice, and so business leaders must decide how to manage it. Your choices are complex, and fraught with emotion and risk. Transparency issues concerning openness and how much data to divulge often unfold in real time, so business readers need every bit of the guidance and preparation the authors provide. Holtz and Havens acknowledge that some of their specific suggestions will become dated quickly; however, their general principles and case studies will be useful for quite some time. (Actually, more pertinent than the fear that their pointers will become dated is the concern that the authors are overly enthusiastic about their topic.) *BooksInShort* recommends this to readers interested in social media, and to leaders trying to shape a communication strategy in today's shifting landscape.

Take-Aways

- Transparency is no longer a choice. Today, it is a requirement for doing business.
- Being transparent means being authentic and building genuine connections.
- It entails shifting how you think about your customers, so that you work with them rather than just selling to them.
- Transparency does not mean sharing all your information with everyone. Instead, shape the discussion with strategic, tactical choices about what and how to share.
- In a crisis, people commonly want to stop communicating and just defend themselves, but the best course is more communication and responsibility, not less.
- Businesses can use blogs to address key issues and raise their profiles.
- Offer customers multiple ways to contact you, and make sure they all work.
- Use employee blogs to communicate about how well you treat your people and to help staffers become virtual ambassadors for your company.
- Reverse the standard organizational structures of a conference. Let everybody talk, and about what interests them.
- Transparency has risks and costs, but the benefits outweigh them.

Summary

An Overview of Transparency

Transparency means being clear and open with your public to give “greater authenticity to your company and your brands.” The exact way you choose to do this is “tactical transparency,” that is, selecting tools and techniques to create authenticity and openness. This deliberate, strategic transparency is a response to “forced transparency,” a reality of doing business in the way-out-there information age. In a wired world, people will talk – are now talking – about your company, how it treats people, and what it does well or badly. You don't have any options about that. Your only choice is how you engage in the conversation.

“Transparency is not a choice. The business environment requires it. It is futile to try to hide bad news because somebody will expose it.”

Transparency doesn't mean sharing everything with everyone, giving away industrial secrets, violating employee privacy or flooding the Web with endless data. Effective transparency means your firm's leaders address the world with openness, especially in a crisis. It requires that your employees and executives learn to represent your

business and communicate its values. It involves sharing your strategy with your investors and explaining the results of your choices.

“If you’re worried that someone may be looking, turn around. They are, or soon will be, and hiding is impossible.”

Transparency – the decision to engage in open conversation – is essential, in large part, because it is unavoidable. Keeping things secret is increasingly difficult. The proliferation of social media is eroding the boundaries between the personal and the professional worlds. To practice transparency, remember the acronym “OPEN,” meaning “objectivity, purpose, esteem and navigation.”

- **Objectivity** – You can’t be dispassionate when you’re invested in something, as you are, literally and emotionally, in your firm. But, you can be honest and real.
- **Purpose** – Respond immediately by issuing a public apology if your company does something wrong. Don’t just talk a good game; act to make things better.
- **Esteem** – The world will evaluate you and your organization. Esteem, which is shaped by your communication with the public, is the sum total of those evaluations.
- **Navigation** – Every company eventually faces both opportunities and crises. Have plans in place to guide your firm’s crisis responses so that its behavior benefits its reputation.

“Transparency is a concept that has been thrust onto the business world as stakeholders increasingly expect authenticity from the businesses with which they have relationships.”

Companies that practice transparency “do the right thing.” They act ethically and align their actions with their words. They admit “inescapable facts.” For instance, rather than using ads showing female models with ideal bodies, Dove featured women across a range of physical types, thus reflecting the public more accurately. Transparent companies act as if their books were open to scrutiny. This isn’t easy, but the leaders of transparent firms are willing to be brave and take risks.

Techniques for Transparency

Companies actually find a lot of ways to handle transparency badly. Some misread the shifting nature of the media and refuse to deal with bloggers. Others engage in “astroturfing,” mounting professional PR campaigns that are supposed to look like real grassroots movements. Inauthentic “opaque selling” is another mistake, given that being “opaque” is the opposite of being transparent. Opaque selling involves making a raw pitch emphasizing the seller’s needs and ignoring the customers’ requirements and identities. Spam and junk mail are part of opaque selling. Such hustling, pressuring approaches have been part of the sales game for a long time.

“The biggest risk a company can take in these days of expectations of transparency and cutthroat competition is to take no risk at all.”

Several forces are driving companies toward transparency, starting with emerging technologies. High-profile corporate misbehavior has created a public desire to keep closer tabs on businesses. The U.S. Sarbanes-Oxley Act is a governmental expression of that desire; it requires public companies to disclose more information and exercise better oversight.

“Transforming your mindset to embrace the idea of relationship-oriented marketing can be a disconcerting paradigm shift if you’re accustomed to traditional sales techniques.”

Tactical transparency is a paradigm shift that takes a radically different approach to business and sales communication. Being transparent means changing your operating framework and emphasizing genuine relationships. It requires as much focus and preparation as traditional sales. Try to make your appeal interactive and specific to each customer. Seek connections and commonalities by listening, being responsible and working with clients to reach their goals.

“Crises are the reputation killers that catch a company unawares.”

Companies can’t and shouldn’t disclose everything in response to outside demands, but communicating openly sets a company apart. One way to do this is to launch an executive blog, giving shareholders access to management’s thoughts on major issues. Employee blogs demonstrate your firm’s willingness to be candid. Set policies for both types of blogs. For instance, an executive can’t spend all day answering questions from the public and employees must not expose proprietary information. Both modes of blogging will need a filtering and review system to keep people from posting inappropriate comments.

Transparency in a Crisis

In a crisis, management’s natural instinct is “to circle the wagons,” become silent and defend itself. That works against your firm in the information age. In all crises, present your company transparently and positively. Provide timely information about the problem. Remain accessible. People are “risk averse,” and so will be emotional in a crisis, not logical. As a result, certain images from your response will pick up symbolic weight, so move thoughtfully. Be aware that crises tend to expose all secrets. Different types of crises demand moderately different responses:

- **“Meteor crisis”** – The unexpected happens, landing on your firm like a meteor. Address public concern by explaining the situation and how unlikely it is to recur.
- **“Predator crisis”** – Someone acts to harm your organization, often by exposing private information. You can’t retract the information, but you can put it in context, admit the controversy and establish alternative lines of communication (all while staying calm).
- **“Breakdown crisis”** – Your company fails to function. If that happens, apologize, let people know how you plan to address your failure and let them see you act on it.

Transparency and Social Responsibility

Businesses are under pressure to demonstrate greater “corporate social responsibility” (CSR) in their internal and external activities. Internally, people tend to judge your CSR by the way you treat your employees. Institute “internal transparency,” which means making your employee policies visible. Inform staff members about your practices and let them tell you how these policies affect them. A blog lets employees offer feedback so you can make improvements. A blog is helpful but, more than

any specific mechanism, keeping your staffers informed is what matters. Teach them the implications of their actions, who your competitors are, how you compare and what issues face the industry. Show employees how improving their individual results helps the firm.

“Social networking offers an opportunity for companies to engage in authentic conversation with their employees and customers.”

In terms of public outreach, integrating transparency offers specific opportunities. If your CEO writes a blog, it can increase your visibility and public contact, and offer a forum for addressing public concerns. Or, if special problems emerge, start an “issues blog” to demonstrate that you listen to customer concerns. It lets you address a single topic with focused, detailed expertise.

“A good way to think about venturing into the social networking space is to ask how you might approach visiting a club or group to which a friend has invited you.”

Your customers and employees already are discussing your company online, treating Facebook like an extension of the employee lounge and the corner coffee shop. Join this conversation to dispel misconceptions and engage the public. Step in to balance negative comments with the truth and to keep multiple communication channels open. Set guidelines telling employees what they can and can’t talk about, and how, and adjust the rules as the medium evolves.

“It’s easy to discount social networking sites as having little or no value for business, but the lines between outlets that are strictly for business or strictly personal have blurred.”

While a blog may be the cheapest tool to use, it isn’t the only one available. Multimedia, which is becoming more generally available as it becomes cheaper to implement, may be a preferable option for those who would rather speak than write. You can show people what you’re doing, take them into your work areas and demonstrate your processes. Being visible, so people see your expressions and body language, can multiply your credibility. You can also use podcasts, which let people listen while they exercise or drive.

Media and Social Networking

Transparency is changing the traditional media. Newspapers and magazines are appearing in electronic formats, and posting expanded versions of their stories, as their journalists write blogs about what they’ve covered. Some venues, such as *Wired* magazine, invite readers to join the process, post research and request corrections. In this emerging world, businesses are responsible for keeping people informed. Be honest about stories involving your firm and possible problems. Tell people where your information originates. Make your PR materials available in media-friendly formats that can be copied and pasted; use multimedia and social media tools.

“All companies share similar fears about the loss of control that social media could bring to their organizations.”

Social networking sites, like MySpace, create further options. Each site is a community, like a club, and each one has different expectations and morés. Observe how people act on each site. Pay attention to what information they share and how they want to be contacted. Which people identify themselves as members of the community, and what web of connections do their links and lists of contacts indicate? You can represent yourself or your company in innovative ways, as well. For example, General Electric uses “Elli Font,” an elephant, as an “avatar” (a visual stand-in for its identity) on MySpace; Elli even has her own page. These choices are all part of the process of self-branding online. Each one gives people different ways to engage with your company.

“Organizations steeped in an opaque culture resist discussions about anything sensitive and disclosure of anything they are not required to disclose.”

However, while the new media provides the push for transparency, you can be transparent without being online. Transparency works very well in person, because people can read more nuances of expression and gesture. Formal social structures, such as meetings and rigid conference designs, traditionally have impeded real connection. Replace a formal seminar with an interactive, free-flowing “unconference.” Rather than staging panels about predetermined topics for preset time spans, organizers act as facilitators to help people find like-minded peers. People come and go from talks as their interests guide them. Rather than having information flow from a speaker to a mass audience, everyone interacts about subjects that engage them.

Implementing Transparency

Start implementing transparency by carefully monitoring your corporate communication policies. Be honest, be responsible, limit what people write in e-mail that might be leaked and always check your facts. If something goes wrong, print corrections. Be polite in all your communications; don’t hound people to buy. You may encounter corporate opposition to transparency rooted in genuine concerns that span four categories:

- **“Legal”** – Information flow is legally restricted in some areas. Research these issues as they apply to your company. Know and heed the law. In speculative areas, be guided by a risk-benefit analysis. Will you gain more loyal followers through transparency than you might lose through possible lawsuits? If so, pursue transparency.
- **“Competitive”** – The more open you are, the more your competitors will know, so establish clear guidelines governing what you will and won’t share online. Recognize that any specific technical advantages are only short-term, anyway, and can be copied. Instead, count on your intangibles to separate you from your competition.
- **“Technical”** – People may fear that breaching company firewalls to incorporate social media will reduce the firm’s online security. To prevent trouble, use software that integrates with your existing systems and use external hosts for your tools. Related concerns over viruses are largely driven by fear, not real threats.
- **“Investment”** – Worrying about the cost of new software is usually legitimate but, in the case of social networking, most of what you use is free and the rest is cheap.

“Transparency is not a choice. It is a legal, moral and competitive requirement.”

When deciding how to be more transparent, experiment with different alternatives, and calculate the costs, risks and benefits. Start small. Test your blog or podcast with a few people. Focus on a specific topic. Seek trustworthy feedback. As you move from experimentation to planning, review your communication practices and

define your voice for these new opportunities.

About the Authors

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