

The Social CEO



BY AJ Kulatunga

Why CEOs need to think beyond social media and embrace social business.

As consumers, the way we live our lives today is very different to less than a decade ago when social technologies first started appearing on our radar. So the question is: if consumers have embraced social technologies and changed their behaviour, why are most CEOs not doing the same to keep up with their market?

The 2012 *Chanticleer CEO Survey* indicated only 4 per cent of the top Australian CEOs are personally active on social media. While the numbers may have risen slightly since, there is still no abundant evidence that Australian CEOs are personally embracing this technology. There is, however, much evidence to indicate the fact that companies are alive and well on social media platforms for



branding and marketing purposes, but this is really only a micro-utilisation of what social media has to offer a smart and savvy CEO.

Social media is an abused communication channel that is evident when hash tags are catapulted across the TV or when journalists incorporate Twitter and Facebook activity as corroborating evidence within stories. As a result, there is a strong perception among executives that social media is littered with irrelevant social commentary, and it is thus dismissed from being useful. However, when utilised within the right context, social media is capable of delivering a much greater value proposition.

IBM's *Global CEO* study in 2012 highlighted three main challenges facing CEOs today: empowering employees with values; engaging customers as individuals; and amplifying innovation with partnerships. Social media can assist to overcome all three of these challenges by integrating it into other areas of the business outside marketing, including human resources, research and development, and even production. At this level of integration, it's no longer referred to as 'social media'; it's known as 'social business', and starts to get highly relevant.

Social business is the art, science, and philosophy of building trusted networks that achieve strategic objectives. By thinking beyond a basic presence on social media platforms and adopting social business principles, an organisation is able to quickly build trusted internal and external networks that can capitalise on new opportunities.

But that alone is not enough to foster a competitive advantage in this hyper-connected consumer world. CEOs themselves must become leaders on digital platforms. As CEO, your role is essentially to set the vision of the business and mobilise resources to drive the business in that direction. A fundamental

component of this objective is to deeply understand market and consumer behaviour. The best way to achieve this is to spend time directly with the customer to learn how they perceive the brand and what things need to be improved to increase satisfaction.

However, to make critical decisions, the traditional CEO will rely on insights gained from third-party observations and reports. The social CEO uses social media tools to put them directly in touch with the customer, and they are able to see what needs to be adjusted within the business.

Another major part of your role as CEO is to clearly articulate your strategy and objectives throughout your organisation. The traditional CEO communicates to the media, shareholders, and staff through carefully crafted press releases and internal memos. The social CEO instead uses social technologies to articulate their vision and strategy directly to the stakeholders, staff, and customers by building trusted networks. They are constantly inspired through these networks, but also take that one further step and become inspiring to others because they are increasing their 'know', 'like', and 'trust' factors. As a result, staff begin to understand and feel connected to the strategic objectives of the business, and work towards achieving them.

The traditional CEO who ignores the most powerful communication tools in the world today will pay the price of market irrelevance. Think Kodak. Think Borders. These two giants no longer exist because they failed to identify and capitalise on market trends. They could have quite easily discovered these if only they had bothered to tune into the wants of their market instead of trying to dictate what their market needs.

While social CEOs aren't in abundance yet, the focus should be on the ones who do exist to see how they use social technologies and social business principles to achieve their strategic objectives.

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Richard Branson is a great example of a social CEO, with 3.3 million followers on Twitter, 4.7 million on Google Plus, and 2.1 million on his LinkedIn Influencer blog. The close relationship between his personal brand and Virgin's corporate brand allows him to increase his personal activity on social media platforms and automatically boost Virgin's public profile, and vice versa.

While that strategy might be fantastic for a high-profile celebrity, it can still apply to any CEO wanting to increase brand awareness of their organisation. For example, *The Naked CEO* web TV series allows Alex Malley, CEO of CPA Australia, to demonstrate his leadership philosophy as well as the leadership opportunities that CPA creates for its members. CEO of Lighthouse Foundation Kane Bowden is another great example of a CEO who is quite active on Twitter.

If you want to stay in business for the next five years, you need to become a social CEO and foster a social business culture. Being active on Twitter and LinkedIn should be the bare minimum in your social CEO toolkit. You can use them both to connect and build relationships with individuals you could not normally get access to, gain market insights directly from the customer, and be informed and inspired by amazing individuals around the world to help you generate innovative solutions within your organisation.

Therein lies the real power of the social CEO. The cost of ignoring such an opportunity is market irrelevance. Do you really want to explain that cost to the board and shareholders? •

About AJ Kulatunga
AJ Kulatunga is an award-winning keynote speaker and consultant who helps companies, executives, and organisations produce strategic outcomes using social business principles. Find more information at ajkulatunga.com.