

PRACTICE MANAGEMENT CANADA: Advisers Deal With Social-Media Realities

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By Evelyn Juan

Canadian financial advisers are starting to grapple with the realities of social media: approval of tweets by compliance departments could be long, and real-time posts are impossible. But take heart, said social-media officials: Even second-day stories are still worth the shot and tweets need not be real-time to be effective.

"Tweets and points should not be timely but timeless--we shouldn't be the ones breaking the news," said Silu Modi, vice president for digital marketing at Macquarie Group Ltd.'s (MQG.AU) North American operations.

He admonished advisers to point to an external source when tweeting, such as a link to their own blog where they could write in length about what a certain event or market movement could mean to their clients. These second-day reaction posts, he said, "can stand the test of time" and don't have to be posted on a real-time basis.

But advisers must try to find their own voices and styles, instead of just parroting someone else's views. "It takes a bit of practice," said Modi.

The use of social-media websites and services such as those offered by Twitter Inc., LinkedIn Corp. (LNKD), and Facebook Inc. (FB) by financial advisers is still in its infancy stage in Canada, with some firms such as Macquarie Private Wealth, a unit of Macquarie Group, and Raymond James Ltd., the Canadian unit of Raymond James & Associates Inc., (RJF) still in the pilot stage with some advisers.

Four adviser teams are now in Macquarie's social-media pilot program for LinkedIn and Twitter, said Modi. So far, he said, a standard lead time for approving content has been 15 to 20 minutes.

Raymond James, on the other hand, now has eight advisers developing a social-media program using LinkedIn and blogging, which will soon expand to use of Twitter and Facebook, said Peter Kahnert, a spokesman for Raymond James.

Kahnert said advisers who will be using social media are mandated to go through a training program so they become aware the rules surrounding social-media usage and also how to maximize its potential.

Tina Tehranchian, a branch manager and financial adviser with Assante Capital Management, said a key challenge in using social media is the long lead time of approval from compliance officials. Some of her tweets get approved in two to three hours, while some take as long as two to three days, which makes engaging in conversations and making interactive posts challenging.

"Sometimes I have 30 to 40 approved tweets but, by the time I've come around to them, they've been out of date," said Tehranchian.

Sarah Carter, general manager for social business at Actiance, which provides data retention and compliance solutions for social-media use, said some firms are starting to prepare content that advisers can re-package. This is particularly helpful to those who are new to social media since the contents have been pre-approved by compliance officials.

But for those who still prefer to do original content or even have live discussions using social media, Carter said advisers should involve the compliance department and their corporate-communications departments from the beginning to get almost real-time approval of posts, in as little as 25 seconds.

"Near real-time is as good as they can get," said Carter.