

Use of Social media by Businesses: Opportunity For Consulting Services by Accounting Firms

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Social Media is...



... the many relatively inexpensive and widely accessible electronic tools that enable anyone to publish and access information, collaborate on a common effort or build relationships. This may sound like the ‘same old thing’, but it’s the advance in technology and the changing behavioral norms that have brought a whole new meaning to these activities, supercharging the volume of exchanges among people and extending their reach to every corner of the globe. (Langbert, 2011)

History of Communications

- Paintings in indigenous species
- Phoenician alphabet (16th)
- January 25th 1925 (Bell)
- 21st century (Facebook, LinkedIn, Twitter)

The History of Social Media

Want to know who came first and how it all started?



All you need to know
<http://blog.thesocialclinic.com>

 thesocialclinic

Internal Uses of Social Media

- Building strong communication within the organization

-Deloitte and Yammer.

- Screening applicants

-red flags that for the most include “drugs, drinking, badmouthing former employers, and lying about one’s qualifications” (Hill, 2013).

Jobvitte Survey 2012

-of over 1000 human resources and recruiting managers

92 percent.



External Uses of Social Media



- Marketing purpose

-Equipment manufacturing company Cisco (2010)

(1000000\$ savings, 1/6th of regular launch, 10 times more people)

- Screening comments posted by customers

-Gap

“We have heard loud and clear that you don’t like the new logo. We have learned a lot from the feedback. We only want that’s best for the brand and our customer” (Crowe Horwath, 2011, p. 4).

Advantages

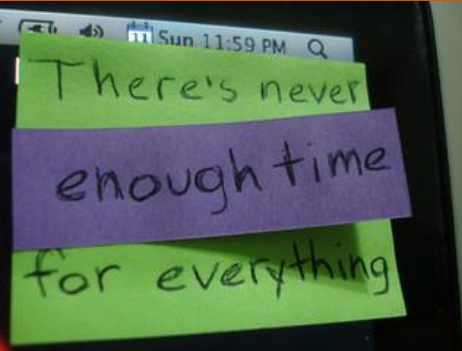
- Strengthening brand image

Maker's Mark

- Decreasing time spent on hiring

it was reported that since implementing social media 49 percent saw an increase in quantity of candidates, 43 percent saw increase in quality of candidates. 20 percent reported decrease time in hiring, and 31 percent saw an increase in employee referrals (Jobvite, 2012, p.5).





Disadvantages



- Decrease in employee productivity

-WorkPlace Media in 2010, 43 percent of 753 participants use social networking sites while at work. 78 percent of people who use social media at work spend up to 30 minutes a day on it. 13 percent spend 30 minutes, 5 percent spend an hour a day. 4 percent have social media sites open all day while at work

- Hostile workplace

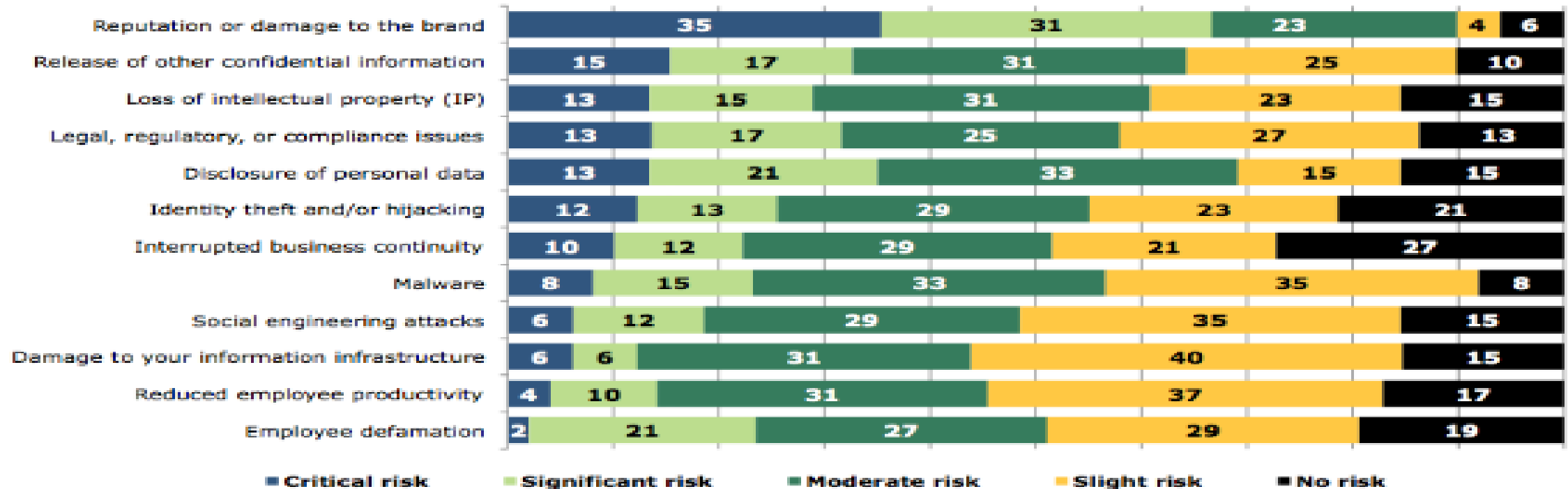
Lawsuits

-such characteristics as race, sex, pregnancy, religion, disability, and age are all protected. Information on most of those characteristics are available on social networking sites

Social Media's Business Risks

(% of respondents, for whom social media risk management is their primary or a significant part of their responsibility)

August 2012



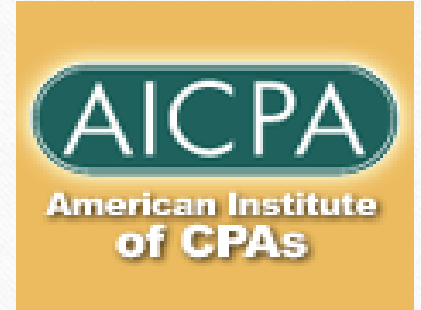
Source: Altimeter Group

- PWC, 22 percent of firms do not classify data
- 17-28 percent of Facebook profiles can be guessed (Microsoft 2010)

Consulting

- In 2003, consulting services made up the 36 percent of Deloitte's revenue. In the year-end of 2012, consulting services make up 50.2 percent of Deloitte's revenue (Wolters Kluwer, 2013, p.4). Within the same period, PWC's revenue from consulting services grew from 10 percent to 28 percent (Wolters Kluwer, 2013, p.4). Ernst & Young's consulting revenue grew from 3 percent to 30 percent (Wolters Kluwer, 2013, p.5).

AICPA Professional Standards



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- AICPA sets ethical consulting, taxing, and auditing standards for the accounting profession in the United States.
 - Consulting services: consultations, advisory services, implementation services, transaction services, staff and other services, and product services.
 - Consulting standards
 - Client interest, Professional competence, due professional care, planning and supervision

Conclusion

- Overview
- Limitations
- Future research

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Questions?

