

Luxury Experience Company

Why is Due Diligence such a hot topic?

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There are new terms popping up in our everyday language thanks in part to the growth of the Internet. So, why is a term like "due diligence" becoming such a hot trend and "the thing to do"?

First a thought for the day - Having a great social life does not mean being a member of 5 or more social networks.

So, you ask what do social networks and due diligence have in common? Well, it seems that up to now not much, which is why the term due diligence is popping up in so many different discussions and articles. In fact, the two concepts of social networks and due diligence should have everything in common. To be successful with social networks for your business means that you have laid out a plan of action, and that you have studied your options, and that you have established your key measurements to see if what you planned to achieve is what you actually achieved, and if not, why not. The best and most direct definition I read for due diligence was "making sure you get what you think you are paying for."

Select any business magazine or Internet article that deals with using a social network for your business such as Facebook, My Space, or Twitter, or using any one of the many Web 2.0 tools such as blogs and Wikis, or just Search Engine Optimizing, and creating an Internet presence, and the common thread is that you need to have a plan before you enter into any of these avenues, and that you should do your due diligence against your initial plan and the final outcome. WOW - does that not seem overly obvious?

In fact, one of the reasons that many companies are acting negatively towards their marketing teams is that those teams did not have a plan of action before engaging a social network, or spending money to create an Internet Presence. They thought - Just Do It. This may work perfectly for Nike, but that Nike message did not just pop up, it had a plan of action established, and there was due diligence performed on the initial and ongoing message to hone its effect.

Take the latest social network solution - Twitter. Articles targeting the use of Twitter for a business talk about how you should establish a plan to layout 8 to 10 thoughts ahead of time while adhering to the 140 character or less restriction. In addition, they point out that for a business you should not mention your own business more than once per every 8 thoughts. Okay, this is a marketing control perspective about drawing a respondent to an initial tweet (which is a 140 character message for non-Twitter users) to the conclusion that the marketer wants them to reach. Hey, the reason to enter into a social network or any dialogue with a customer is to draw attention to a product and to sell something. The point is that in many of the articles on using any of the social networks or Web 2.0 concepts for a business, the term due diligence is now being used as a key to becoming a successful social network business user. Though, the way that due diligence is being projected in the articles it is represented as a new trend and a new concept. So, why is something that should be obvious being presented as an important step?

It may be that business leaders are acting like people who invest in the Stock Market via the extremes of greed or fear; they are reacting not planning. The current economic situation is bringing basic fundamentals to the forefronts that have recently been passed over. When things seem to be going

well you gloss over the fundamentals, but when times get tight you have to investigate and look at all options and approaches as to how they fit into your overall plan.

With regards to the vendors pushing services and to use social networks, well, they would not have been successful in getting initial traction if they did not hype the offering, which usually starts out through the general consumer before entering the business realm. The Internet is about immediate gratification so, who wants to hear about all the steps it takes to make it successful for a business, just do it.

I am not saying that Twitter or other social networks are bad, or for that fact good for a business, but before embarking on the social network train you need to have a plan.

Social networks and all things Internet related cannot be grouped into "good for a business," or "bad for a business," there is no single answer. A question when evaluating a social network is "Is this where you will find your customer?" A question for creating an Internet presence is "Will my message reach the type of customer I am looking to reach?" Thus, the need to know your business, to know your customers, and to draw up a plan of action before engaging a new process is critical.

So, why is it that so much is being directed towards the processes of doing your due diligence with respect to Internet related solutions? Maybe, it is a reminder that as a leader of a business or business segment we all have a responsibility to execute and follow-up at all times under all circumstances regardless of the process or procedure.

So, will the next hot terms and hot topics be execution and follow-up?

I thank you for your continued support of Luxury Experience, and as always, your comments are welcome, so please send comments to: EFNesta@L-E-Company.com.

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