

Life can be tweet if you make most of social networking



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IF YOU haven't heard of the phenomenon that is "social networking" – using websites such as Facebook and Twitter – where have you been? The enormous potential of these sites (ie ones that provide a virtual community where people with shared interests communicate with each other) is obvious.

Whatever you think of sharing your life on the internet on a personal level, your business should not underestimate the importance social networking sites (SNSs) can offer. Even the Department for Business, Innovation and Skills has produced a guide to using Twitter for government officials.

On a basic level, using an SNS can be a great advertising tool (provided you observe the etiquette) when you consider that perhaps the two most famous in this country, Facebook and Twitter, have been reported to get over 150 million monthly visits between them and their popularity is steadily increasing. Imagine for a moment the impact on your business if you had reacted promptly enough to put an advert on the first Susan Boyle video.

This is part of the trend towards the dominance of electronic communication; one that the government is embracing in its law-making. This is evidenced by the announcement of the Digital Economy Bill in the Queen's Speech and the Companies Act 2006, which was fully implemented in October, and allows companies to take decisions via a range of electronic means.

Previously, unless someone with great foresight had included very specific permissive clauses in a company's Articles, directors of a company could only take decisions at board meetings or in writing. The new Model Articles, which companies incorporated from 1 October 2009, unless they specify otherwise, say directors can take decisions when they indicate to each other by any means that they share a common view on a matter.

In other words, provided the decision is unanimous, decisions of the board of directors of a company could be taken by text message or even conceivably via communication on an SNS, provided that a particular director's decision is notified to every other director.

Taking the matter further, the Model Articles allow for a board meeting (the traditional mechanism for director decision making) to take place when the directors can "each communicate to the others any information or

opinions they have on any particular item of the business of the meeting". This would allow for a directors meeting to take place via a live social networking site, provided the company keeps a copy of any decisions taken.

If the forum for decision-making is classed as a board meeting the decision would not have to be unanimous and a simple majority would suffice.

Similarly, a company can now – provided it has consent from its shareholders – send or receive any document or information authorised or required by the Companies Acts by electronic means.

A document is sent by electronic means if it is "sent initially and received at its destination by means of electronic equipment for the processing (which expression includes digital compression) or storage of data" and is "entirely transmitted, conveyed and received by wire, by radio, by optical means or by other electromagnetic means".

In this wide definition, the government has acknowledged the changing way in which people communicate and left the door open for the use of websites and other as yet un-invented forms of

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electronic communication that may become popular in future.

These are examples of where the law has changed to allow for streamlining by businesses in their decision-making. However, there are other moves afoot in the context of disputes and tracing people if an Australian example is anything to go by.

There, a court approved the service of legal papers on a couple via Facebook when other attempts to present them with the papers failed.

Another common trend these days concerns employers checking sites in respect of confessions and antics that have been publicly and often foolishly acknowledged by current or prospective employees.

In short, even businesses that don't want to use SNSs for promotional purposes should be familiarising themselves with what they are. Such sites are now being acknowledged in law making and law enforcement, and employees will be using them as will customers and, potentially, competitors.

If these sites continue their growth trends, any business that fails to acknowledge their role in today's society may well find themselves left in the digital wilderness.

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