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HBR CASE STUDY AND COMMENTARY

A Blogger in Their

What should Lancaster-Webb do about Glove Girl?

Four commentators offer expert advice.

byHalleySuitt

Midst

Lancaster-Webb's surgical gloves are flying off the shelves, thanks to the on-line endorsements of an otherwise indiscreet employee. Should the CEO consider her a priceless marketing weapon or a grave security risk?

HBR CASE STUDY

A Blogger in Their Midst

byHalleySuitt

Will Somerset, the CEO of Lancaster-Webb Medical Supply, a manufacturer of disposable gloves and other medical products, needed time alone to think, and he had hoped an early morning jog would provide it. But even at 6 AM, as he walked out to the edge of the luscious lawn surrounding Disney World's Swan Hotel, Will had unwanted companions: Mickey and Minnie Mouse were in his line of sight, waving their oversized, gloved hands and grinning at him. Instead of smiling back at the costumed characters, he grimaced. He was about to lose a million-dollar sale and a talented employee, both in the same day.

Will finished his hamstring stretches and began his laps around the grounds, leaving the mice in the dust and recalling events from the day before. Industry conferences are always a little tense, but never to the extent this one had turned out to be. Lancaster-Webb—by far the best-known brand in the medical-disposables arena—was introducing a remarkable nitrile glove at the gathering. Will was good at announcements like this; during his 30-year career, he had probably given more speeches and launched more products at trade conferences than any other chief executive in his field. But attendance at yesterday's rollout event had been sparse.

Evan Jones, vice president of marketing at Lancaster-Webb, had guaranteed the appearance of a big sales prospect, Samuel Taylor, medical director of the Houston Clinic. Will knew that impressing Taylor could mean a million-dollar sale for Lancaster-Webb. But before the presentation, Evan was nervously checking his shiny Rolex, as if by doing so he could make Sam Taylor materialize in one of the empty seats in the Pelican room. At five minutes to show time, only about 15 conference-goers had shown up to hear Will, and Taylor was nowhere in sight.

HBR's cases, which are fictional, present common managerial dilemmas and offer concrete solutions from experts. Will walked out of the ballroom to steady his nerves. He noticed a spillover crowd down the hall. He made a "What's up?" gesture to Judy Chen, the communications chief at Lancaster-Webb. She came over.

"It's Glove Girl. You know, the blogger," she said, as if this explained anything. "I think she may have stolen your crowd, boss."

"Who is she?" Will asked.

Judy's eyebrows shot up. "You mean you don't read her stuff on the Web?" Will's expression proved he didn't. "Evan hasn't talked to you about her?" Will gave her another blank look. "OK, um, she works for us. And you know how we've been seeing all this new demand for the old SteriTouch glove? She's the one behind it. She's been on a roll for a while, talking it up on her blog."

Evan joined them in the hall just in time to catch the end of Judy's comments. "Right," he said. "Glove Girl. Guess I'd better go hear what she's telling folks." He glanced at his boss, a little sheepishly. "You won't mind, I hope, if I'm not in the room for your presentation?"

"No problem," Will said. He watched Evan and Judy hurry toward the room down the hall. With a sigh, he headed back into the Pelican room. As he delivered his remarks to the small group that had gathered, the words "blog" and "Glove Girl" and that wonderful but mystifying news about the surge in Steri-Touch sales kept swimming around in his head. The speech he gave was shorter than usual. In fact, he was already on his way to the Mockingbird room when Glove Girl's session ended in applause.

As the doors opened and people began streaming into the corridor, Will spotted her. She was wearing a gold lamé cocktail dress and a pair of pale green surgical gloves. They looked like evening gloves on her. Extraordinary. But the people filing past him appeared to have taken her quite seriously. "I liked how she handled the last question," one was saying. Will overheard Judy talking to Evan: "She's very good, isn't she?" And Evan's response: "No kidding."

Will pulled both of his employees aside."We need to have a meeting about this. ASAP."

Beware the Blog

That evening, the three were in Will's suite, huddled around a speakerphone. Conferencing in from Lancaster-Webb's headquarters in Cupertino, California, were Jordan Longstreth, the company's legal counsel, and Tom Heffernan, vice president of human resources. Judy was briefing them all on blogging, who Glove Girl was, and what she could possibly be up to.

"It's short for Web logging," Judy explained to the group. "A blog is basically an on-line journal where the author—the blogger—keeps a running account of whatever she's thinking about. Every day or so, the blogger posts a paragraph or two on some subject. She may even weave hyperlinks to related Web sites into the text."

"It's amazing the stuff some of these people write," Evan added, "and how many people find their way to the sites. My brother-in-law, who lives in New York, is a blogger. And he gets e-mail from the weirdest places—Iceland, Liberia...everywhere.

"One day, a blogger might write something about her cat, the next day about the technology conference she just attended, or software bug fixes, or her coworkers," Evan went on. "You find that kind of thing especially in the blogs of dot-com casualties; they never learned to separate their work lives from their personal lives."

Evan meant that last remark to be pointed. Glove Girl's site juxtaposed her commentary on blood-borne pathogens with tales about her love life. Frequent visitors to her blog knew all about her rags-to-riches journey from emergency room nurse to COO of a Web-based company that peddled health advice; her subsequent bankruptcy; her fruitless attempts to land a good corporate communications position; and her life as an assistant foreman at the Compton plant of Lancaster-Webb's surgical gloves unit. Few would mistake Glove Girl's blog for Lancaster-Webb's own site, but they might not know the company hadn't authorized it.

The site's existence wasn't so troubling by itself, Will thought. But when Judy explained that Glove Girl had been blogging about the pending launch of the nitrile gloves and about competitors' products and customers' practices, Will became alarmed. To top things off, Judy revealed—somewhat hesitantly—that last week Glove Girl had written on her site, "Will Somerset wears a hairpiece."The room went silent.

"OK, she's outta here. Get her a copy of Who

Halley Suitt is the director of client development at San Francisco-based <u>Yaga.com</u>, a provider of payment technology for on-line businesses, and the author of the Web log Halley's Comment. She can be reached at halleys@yahoo.com. "One day, a blogger might write something about her cat, the next day about the technology conference she just attended, or software bug fixes, or her coworkers." *Moved My Cheese*?" he said to his team, knowing it would get a big laugh in the room and on the speakerphone. "All right, I'll join the Hair Club for Men. Now tell me the really bad news: What did she write about the Houston Clinic deal? Are we going to lose it?"

Before Judy could answer, Jordan's voice came over the line: "Can I add one thing? Getting fired would be just the beginning of her troubles if she's sharing confidential product information."

Judy explained that Glove Girl had reported on her site that Lancaster-Webb would be making a big sales pitch to the Houston Clinic. Glove Girl had learned that the clinic's cesarean delivery rate was off the charts, and she was questioning the ethics of doing business with a facility like that. Fort Worth General, she'd noticed, did a third as many C-sections.

"Maybe that's why Taylor didn't show," Will remarked, as the pieces began to come together.

"Sorry, boss. We had a chat with her a few weeks ago about discussing our customers on her blog, and she promised to be more careful. I guess it didn't make much difference," Judy said.

"You've documented that?" Tom asked. Judy assured him she had.

Evan then described how surprised he was to hear that the company's older SteriTouch gloves had suddenly started flying out of the warehouse. "We hadn't been marketing them lately. The thing was, Glove Girl was raving about them on-line. Sales shot up right after she linked her blog to one of our Web pages. You remember that book *Gonzo Marketing* I gave you last year, Will? Her blog works just like that. These things get close to the customer in ways that an ad campaign just can't."

"Can I give you more bad news, boss?" Judy asked. "She's got a pen pal in our factory in China who's been writing about conditions there. Glove Girl doesn't always paint a pretty picture."

Evan jumped in again. "Wait a minute. Did you search the whole blog? There were also some e-mails from people saying we should be paying our plant workers in China what the workers get here. And Glove Girl defended us really well on that point."

"Tell me," Will said, "how the heck did she end up on the conference schedule?"

"Apparently, the chief organizer is a big

Glove Girl fan and asked her to discuss blogging as 'the ultimate customer intimacy tool,'" Judy said with a sigh. "I'm sorry. I tried toget him to change the time of her session."

"I know it's late," Will told his team, "but before we make any decisions about Glove Girl, I'm heading to the business center to look at her blog. Evan, apparently you know your way around it. Why don't you come with me?"

With the meeting adjourned, Will and Evan made their way through the hotel to the business center, discussing the issues Glove Girl had raised. As the two men approached the entrance to the center, a petite blond was leaving. She held the door for them, and then walked away as Evan pointed and whispered, "That's her. She was probably in here posting a new entry. Let's check." He typed "glove girl" into Google. Her blog came up as the number one listing against 1,425 hits. He clicked to it.

Evan showed his boss the post. "See the time and date stamp? She just posted this"— the entry was Glove Girl's mild swipe at the food being served at the conference.

"I can't disagree with her," the CEO said. "So where do we start?"

Evan gave Will a quick cybertour, and then had to run to another conference call, leaving his boss to fend for himself. Will spent the next hour alternately enthralled and enraged by what he read on Glove Girl's blog.

An Underground Resource?

One foot in front of the other. That was the thing Will loved about jogging—you just keep putting one foot in front of the other, he thought, as he took another circuit around the hotel grounds. A lot easier than grappling with this blogging business. There was a lanky runner ahead of him. It was Rex Croft, medical director at Fort Worth General. They both finished at about the same time and greeted one another as they did their cooldown stretches against a sidewalk railing.

"Hey, Will, we love what you're doing with Glove Girl. Houston's head of nursing showed me the site, and it's amazing," Rex said, to Will's complete surprise.

"She's got the story on the clinic's cesareans wrong, though. It's true that the rate is the highest in the country, but that's because Houston's been doing pioneering work that's attracted hundreds of women from all over the country," he explained. "Do you think you can get Glove Girl to post that?"

"I'll certainly try. This blogging thing is new to me, you know."

"You guys are really ahead of the curve on this. I'd like to meet Glove Girl," Rex added.

So would I, Will thought. "I'll see what I can do," he said quickly. "I'm heading in. I'll talk to her about putting those cesarean statistics in the right context."

As Rex sauntered off, Will flipped open his cell phone and called Evan. "Get her," is all he had to say."Business center, in an hour."

Showered and shaved, Will made it there before the others. Evan arrived alone—he'd come up empty-handed. "I can't find her. She's not in her room. She didn't respond to my emails. I even left her a message at the front desk to call my cell. Nothing so far."

"Great. Now what?" Will rolled back in his chair.

"Wait," Evan said. He got on-line and went to her Web log. "Check this out. She's in the health club blogging. There must be a terminal there."

"You can blog anywhere?"

"Yep. The blogging interfaces reside on Internet servers for the most part, not on your computer. Some people do wireless blogging. Some do audio blogging with a cell phone. Hey, read this. Glove Girl got a manicure with Houston's head of nursing and found out why the cesarean rate is so high. She's posted a correction."

"My lucky day," Will said. "I think. Evan, do you have a clue how much she's said about yesterday's product release?"

"We can search the site. Watch." Evan typed in the words "nitrile gloves," and a few listings appeared. They both began to read. It was clear she'd done a very detailed job of describing the surgical gloves' benefits and features—the same ones Will had outlined in his speech.

"She's definitely thorough," Evan had to admit.

"Yes, and she's got good questions," Will said as he kept reading.

•••

At noon, the sun was high in a cloudless sky. Will and Evan were at Kimonos, waiting to be seated.

The Houston Clinic's Sam Taylor spotted Will. "It's a good thing you took care of that," he said.

"I didn't have anything to do with it," Will said, correcting him. "She's a free agent. You need to thank your head of nursing for giving her the facts."

"I'll do that," Taylor said, and then rather abruptly excused himself.

Rex Croft was standing a few feet away. He came over, smiling broadly. "We want to sign a deal—you'll be the exclusive supplier of our surgical gloves," he said.

Will shook his hand happily."Great."

"But we also want to hire Glove Girl," Rex whispered. "My people say we need her in a big way. I hate to admit it, but her blog is a lot more persuasive than your advertising. Can you spare her?"

"I'm not sure," Will said, genuinely perplexed.

What should Lancaster-Webb do about Glove Girl? • Four commentators offer expert advice.

See Case Commentary

by David Weinberger

What should Lancaster-Webb do about Glove Girl?

Lancaster-Webb doesn't have a blogging problem; it has a labeling problem. The solution that first occurs to CEO Will Somerset-fire Glove Girl-would restore order at the company, but at too great a cost. Outside the company, Glove Girl has turned into Lancaster-Webb's most cost-effective marketer. In much less time, and with fewer resources, she does what the marketing department has spent big chunks of the corporate budget to do not nearly as well: She gets customers to listen and believe. Marketing is ineffective at this precisely because it's on a mission: Get leads! Convert prospects! Lock in customers! In short, marketing is engaged in a war of wills with customers.

By contrast, Glove Girl isn't trying to do anything except talk to customers about the things she and they care about. Glove Girl sounds like a human being, not a jingle or a slogan. Her writing embodies her passions. She thus avoids the pitfalls that marketing departments repeatedly walk into. Her willingness to admit fallibility—the pace of daily online publishing pretty well ensures that Web blogs have the slapdash quality of first drafts—is ironically the very thing that leads her readers to overlook her mistakes and trust her.

No wonder the communications department is afraid of her. After all, from their point of view, Glove Girl is "off message." She acknowledges that not everything is perfect at Lancaster-Webb. In alleging excessive cesarean rates at the Houston Clinic, she did the unthinkable: She suggested that some dollars are not worth having. Of course, that boldness and candor are among the reasons she's such a good marketer.

Still, for all the good she's doing, she does indeed pose a problem. But it's not a problem unique to blogs. Suppose Glove Girl didn't have a blog. Suppose she were saying exactly the same things to her neighbors over the backyard fence. Lancaster-Webb might not like what she says, but so long as she's not violating her contract or the law, the company doesn't have a right to stop her. The difference is that Glove Girl's blog identifies her as a Lancaster-Webb employee.

That's where the importance of clear labeling comes in. We almost always understandif only implicitly-the status of the comments someone is making. For instance, we know when the customer-support person on the phone is giving the official line, and we can tell when her voice drops that she's departing from it. Likewise, we understand that a press release is one-sided faux journalism because it says "press release" right at the top. We know that marketing brochures aren't to be taken too literally. And we know that when Will gets up to give a keynote, he is going to be relentlessly positive-and is probably reading someone else's words. But because Web logs are so new, the public might have trouble figuring out the status of Glove Girl's site. Is it official? Does Lancaster-Webb stand behind what she says?

There's an easy way to fix it so that Glove Girl can continue being the best marketer at Lancaster-Webb: Ask her to explain clearly on her blog exactly whom she speaks for. It's a reasonable request, and it's in everyone's interest.

But there's an even better way to make the nature of her commentary clear: Publish Web logs on the Lancaster-Webb site. (If more of Lancaster-Webb's employees were blogging, they'd have caught Glove Girl's error regarding the cesarean births within minutes.) Link the company's blogs to related ones—Glove Girl's, for instance—or to blogs at customers' sites. Blogging should be a group activity anyway, with lots of cross talk. The variety of viewpoints will make it clear that no one is just toeing the party line. In fact, I'll bet Glove Girl would be delighted to set Will up with a Web log and help him sound like a human being in public again.

David Weinberger is the author of *Small Pieces* Loosely Joined: A Unified Theory of the Web (Perseus, 2002) and coauthor of *The Cluetrain Manifesto: The End of Business As Usual* (Perseus, 1999). He is a strategic-marketing consultant.

Glove Girl isn't trying to do anything except talk to customers about the things she and they care about.

by Pamela Samuelson

What should Lancaster-Webb do about Glove Girl?

There are those who say the Internet changes everything, and there are those who think that phrase is a discredited sentiment of a bygone era. Perhaps both are exaggerations. One of the challenges posed by the Internet is assessing which of its features are so novel that they require new concepts to explain them and new rules to govern them, and which features need neither because they are essentially like ones we've encountered before. Glove Girl's blog nicely illustrates this distinction.

If Glove Girl's remarks about the Houston Clinic, for example, are disparaging or even defamatory, they become no less so for being posted on the Internet instead of published in a newspaper or broadcast over the radio. While some have argued that Internet postings have so little credibility that defamation standards should be lower for the Web, the courts haven't accepted this notion.

Blogging does, however, represent a new genre of communication. Glove Girl's blog is typical in its interweaving of work-related commentary with purely personal material. Powerful search engines make such postings accessible to a worldwide audience. Because readers may not be able to tell that Glove Girl is merely expressing her personal views about Lancaster-Webb on her blog, and because the company has failed to make it clear that she is doing so without its authorization, Lancaster-Webb can be held "vicariously" responsible for statements of hers that are harmful to others. Glove Girl is certainly not the first talented commentator to become a virtual celebrity on the strength of her Internet postings. (Think of Matt Drudge.) By reaching so many people, her statements compound the injury they do and the damages Lancaster-Webb may be obliged topay.

Blogs like Glove Girl's also blur the line between commercial speech and noncommercial commentary. The former generally enjoys a lower level of protection than the latter. Companies don't have a First Amendment right, for example, to engage in false advertising. An important case that was brought before the U.S. Supreme Court this year involved a private citizen, an activist named Marc Kasky, who sued Nike under California law for false advertising on the basis of public statements the company issued in defense of its labor practices. Nike argued that because the statements didn't promote a product, they deserved greater constitutional protection than conventional commercial speech. Under Kasky's definition, commercial speech would encompass a far wider array of public statements, including those intended to maintain a positive image of the company.

Defending against such lawsuits is costly, and court actions tend to generate bad publicity. Yet Lancaster-Webb may be at greater risk than Nike. At least the statements that Nike originates can be evaluated and, if necessary, modified before publication. The statements being posted on Glove Girl's site are more difficult to control. Glove Girl has been promoting products on-line, making her blog and Lancaster-Webb potential targets of a false advertising lawsuit.

Before the advent of blogging, it was far less possible for employees to create these kinds of risks for their employers. Word might leak about trade secrets or product releases but usually only to a handful of people. And before the rumors spread too far, the company could put the genie back in the bottle.

The chances are slim that Glove Girl or Lancaster-Webb would be sued as a result of what she said on the Internet, particularly since she went to the trouble of correcting her error. Although Glove Girl may be an unconventional employee, Will Somerset would be wise to regard Glove Girl as far more of an asset than a liability. Rather than impose a set of rules, Will should start a conversation within the firm about the risks and opportunities that blogging poses. Lancaster-Webb should establish norms, tailored to its own market and culture, that respond to the challenges posed by blogging and other Webphenomena.

Pamela Samuelson is a professor of law and information management at the University of California, Berkeley, and the director of its Center for Law and Technology. She is a coauthor of *Soft- ware and Internet Law* (Aspen, 2001).

Lancaster-Webb would be wise to regardGlove Girl as far more of an asset than a liability.

by Ray Ozzie

What should Lancaster-Webb do about Glove Girl?

At this point in the information age, every employee can interact directly with a company's customers, partners, and even with the public. Bloggers naturally want to speak about their professional lives as well as their personal lives. Companies can't change that. If they try, they risk suffocating the culture they mean to protect. Although employee Web logs present risks, more often than not they are good for a company. Will Somerset shouldn't officially endorse employee blogs, but he shouldn't discourage them either.

In the fall of 2001, I learned that an employee at one of Groove Networks' close business partners-a consulting and systems integration company-had posted on his blog an eloquent and highly personal essay on the subject of addiction. In subsequent postings, he stated that his employer had asked him to stop writing such things because of what current and potential clients might think. Eventually, he wrote, he was terminated for refusing to do so. Whatever the facts may have been, the incident made me realize that a managerial problem of this kind would be affecting lots of companies before too long, including my own. A year later, responding to a suggestion by a blogging employee, we developed and posted a written policy on personal Web logs and Web sites. (See the policy at www.groove.net/ weblogpolicy).

The policy was designed to address four areas of concern: that the public would consider an employee's postings to be official company communications, rather than expressions of personal opinion; that confidential information—our own or a third party's would be inadvertently or intentionally disclosed; that the company, its employees, partners, or customers would be disparaged; and that quiet periods imposed by securities laws or other regulations would be violated.

We're a software company, so it should not be surprising that many of our employees play the same way they work—expressing their creativity through technology. Employees who blog often develop reputations for subject mastery and expertise that will outlast their stay at the company. I believe that, without exception, such employees have Groove Networks' best interests at heart. Our goal is to help them understand how to express themselves in ways that protect the company and reflect positively on it. This should be Lancaster-Webb's goal as well.

The company should issue a policy statement on employee Web logs and Web sitesbut only after Lancaster-Webb's corporate communications and legal staff fully educate senior management about what blogs are and how they might affect the business. Glove Girl may write with rhetorical flair, but what seems like a harmless flourish to one person may seem like an insult to another. Frustrated employees sometimes become vindictive, and a vindictive blogger can lash out publicly against her employer in an instant. There are laws that provide individuals and organizations a measure of protection against libel, misappropriation, and other injuries suffered as a result of posts on any of the many gossip sites on the Web. The laws also provide some protection from bloggers, even if they don't provide complete redress.

Glove Girl is a natural communicator who obviously cares about Lancaster-Webb, its products, and its customers. Will should think about putting her in a role within the company that gives her greater visibility and makes her feel more genuinely invested in its success. Will or members of his staff should even consider authoring their own blogs, as I have done (www.ozzie.net), if they want to communicate convincingly with employees, markets, and shareholders.

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Will should explore putting Glove Girl in a role within the company that gives her greater visibility and makes her feel more genuinely invested in its success.

by Erin Motameni

What should Lancaster-Webb do about Glove Girl?

Glove Girl is certainly passionate about her company. But in her enthusiasm, she has abused her knowledge of proprietary, confidential information. At a minimum, she has probably violated any legal agreement she signed when she joined Lancaster-Webb. More damaging, she has violated the trust of her coworkers, her company's customers, and, if this is a publicly traded company, its investors.

By identifying herself as a Lancaster-Webb employee, she has probably caused others to believe mistakenly that she represents the company's official positions. The wide readership attracted to her chatty and personal Web log compounds the damage inflicted by the inaccurate information it spreads. Will Somerset needs to have a blunt discussion with Glove Girl, make her aware of the harm she's doing, and insist that she stop sharing confidential information. Since this won't be Glove Girl's first warning, she'll need to be told that continued misuse of confidential information could end with her dismissal.

No matter her intentions, Glove Girl's behavior is symptomatic of larger management and internal communications problems at Lancaster-Webb. To begin with, Will needs to establish what his core values are. How could anyone who was Lancaster-Webb's CEO be even momentarily "enthralled" by what he reads on Glove Girl's blog? Such a reaction suggests that he has let short-term sales gains cloud his judgment and, by extension, stifle the message he should be sending his employees about their responsibilities to the Lancaster-Webb community.

Will must also address a few glaring failures of his management team. Something is definitely wrong with the way it shares and acts on information. For example, why did it take so long for Will to find out about an activity that is significantly affecting the company's sales, marketing, and image? He should seriously consider replacing his marketing chief—who views blogging as one of the best ways to get close to customers—with someone who, while open-minded toward new techniques, is also deeply experienced in the time-tested ways of learning what's on customers' minds. And for Lancaster-Webb, with its comparatively narrow customer base, focusing on what its customers truly value ought to be a straightforward endeavor.

EMC conducts intensive, three-day group sessions with customers' senior-level executives several times a year. We give them unfettered access to our senior management team and our engineering organization. We ask them about our current and forthcoming products as well as how satisfied they are with their relationship with us. More often than not, these sessions result in new product ideas and new customer-engagement practices. We supplement these faceto-face sessions with an extranet designed specifically for EMC customers.

None of the foregoing is to suggest that blogging has no legitimate marketing role. To the contrary, Will and his management team should integrate blogging into a new, carefully monitored, interactive-marketing initiative, for which they set clear standards. Once that has been accomplished, Glove Girl's enthusiasm is less likely to be dangerous to Lancaster-Webb's customers, employees, and investors.

Finally, Will needs to institute formal and informal mechanisms for soliciting employees' ideas. It is easy to fire employees who cross boundaries. It is more productive to fashion a culture that encourages the more innovative among them to share their ideas, while reminding them that they are citizens of a larger community and therefore need to think through the ramifications of their actions.

Erin Motameni is a vice president of human resources at EMC, a storage software company in Hopkinton, Massachusetts.

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Will needs to make Glove Girl aware of the harm she's doing and insist that she stop sharing confidential information.