

Facebook avoids early IPO-filing pitfalls

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MENLO PARK, CA: Facebook's initial public offering filing brought the company a slew of media attention, but it also gave the public a closer look at the social media heavyweight.

The Securities and Exchange Commission filing, which could boost the value of the company to between \$75 billion and \$100 billion by this spring, included various insights, said Jonathan Morgan, owner of Perry Street Communications. He added that it also helped the company gain mostly positive media attention.

"[Facebook CEO Mark] Zuckerberg's letter that accompanied the filing is one example, a 'human touch' to what can often be a highly technical undertaking," he said. "They also did a good job lining up third parties, such as Larry Summers, former Harvard president and treasury secretary, to vouch for [COO] Sheryl Sandberg and bolster external perception."

The IPO process can be a grueling one, which has led other technology companies such as Groupon and Zynga to negative media attention, said Michael Fox, president of corporate communications at ICR.

"Facebook has done a very good job of managing the extended and intense commentary around their potential IPO plans," he said. "Most importantly, they have avoided any noticeable missteps from a communications standpoint around the anticipated offering, and that has not been the case for some of their peers recently, including Groupon and Zynga. Both experienced operational or communication missteps that resulted in negative PR prior to the IPO."

Morgan said he agrees that Facebook has been up to the IPO communications challenge so far, including giving investors access to financial data "without revealing the 'secrets of the temple' that could alienate users."

Fox added that he's curious to see if Facebook will employ social media in its investor relations strategy.

"The use of social media is still very limited and, frankly, not very relevant in the area of investor communication at this time, particularly as it relates to institutional investors," he commented. "With the IPO of the preeminent social media company, it will be interesting to see how they employ social media in their own investor communication and integrate it with more traditional channels that still dominate the communication process."

Both Facebook and Brunswick Group declined to comment for this story. Brunswick is working with the social media company on communications for the IPO process.