Clara Shih (BS CS/Economics, MS 2005 CS)

THE PERSONAL CONNECTIONS THAT DRIVE BUSINESS GO ONLINE IN 'THE FACEBOOK ERA'

Clara Shih (BS CS/Economics, MS 2005 CS) doesn't just enjoy social networking, she is helping shape it. In 2007, Shih developed Faceconnector, the first business application on Facebook. Today, she helps businesses tap their customer and employee networks in her work as director of social media at salesforce.com and also as the author of a new book, *The Facebook Era: Tapping Online Social Networks to Build Better Products, Reach New Audiences, and Sell More Stuff* (Prentice Hall).

What drives Shih's work is her belief that the value of technology is its value to people. An important lesson she learned at Stanford was understanding the power of computing in terms of its human impact in education, business, and interpersonal relationships.

Tell us about the book.

The Facebook Era is about how we can use online social networks like Facebook, LinkedIn, My Space, and Twitter, to change the way that we think about relationships, generally, and customer relationships, specifically, and what that means for sales, marketing, recruiting, and business at large.

I never sought to write a book *per se* but the opportunity presented itself last year after I created Faceconnector (originally Faceforce). Before then, people really didn't think about using Facebook for business. Now, a strong movement is underway.

This reads in many ways like a business book, with lots of corporate case studies.

The Facebook Era is very much a business book, even a culture book I would say. I think that's consistent with my philosophy on technology. Technology is not in and of itself interesting. What's interesting is how technology touches human life—that's the phenomenon we're witnessing now. Social networking, like the Internet, started with technology. But what makes it so interesting and so relevant for all of us is the resulting cultural shift, the new ways of interacting and transacting.

What we are seeing now with social networking is on the same order of magnitude of importance and significance as what happened with the Internet 10 years ago. Basically, the way that I frame it in my book is that the last decade was about the World Wide Web of *information*, and the power and new value created just by being able to link content. What we are witnessing today is an emergence of a World Wide Web of *people*: understanding how people are connected and who they are, whom they know and how. It is the death of the anonymous Web. And it will be transformative in both our personal and professional lives to be able to have that level of personalization. Not in an eerie way, but in a way that each of us opts into in exchange for something valuable, like access to photos or events.

What is the origin of your interest in social networking from a business perspective?

The real tipping point was developing Faceconnector, which came about thanks to two events. I was back in Hong Kong, visiting my grandmother and we were in a divey diner in a back corner of the city. We're talking, chattering away in Cantonese, and out of the corner of my eye I saw these two guys—typical Hong Kong old school guys with a toothpick hanging out of one corner of the mouth, cigarette hanging out of the other, and somehow eating at the same time. All of a sudden I heard them talking about Facebook, and I was completely floored, because that was the last place I would have expected to hear about Facebook. I thought it was a college student phenomenon but here they were, talking about it. That's when I knew that if Facebook wasn't already mainstream, it would become so very soon.

The next week I was invited to attend the first Facebook developer conference, where they launched their platform allowing developers to build applications on top of social and profile information. The more I thought about Facebook, the more I realized that it's akin to a personal relationship management system. I thought, well, that's exactly what Salesforce does. Why can't we combine the two and be in the best of both worlds?: On one hand, the emotional connection of Facebook, and having photos and really getting to know the person behind the name, and on the other the structured data in Salesforce CRM and being able to have analytics, run email campaigns, automate workflow.

So I contacted my friend, Todd Perry, who was a classmate of mine at Stanford and happens to be an engineer at Facebook. We decided to build Faceconnector. When you log in to Salesforce and you're looking at contact, lead, and account records, instead of seeing the same static information that you typically do, that you might find stamped on someone's trade show badge or buy from a marketing list, you get to know the person. Of course this depends on the privacy settings and how closely connected you are to them.

Clara Shih (BS CS/Economics, MS 2005 CS)

Meet
Our **Alumni**

STANFORD
ENGINEERING

STANFORD UNIVERSI TY

How would this be used?

If I'm going to sell something to you I would previously have to cold-call you or send you an e-mail, and you'd probably think it was spam. But with something like Faceconnector, I can see we're both in the Stanford community, we both happen to be from San Francisco, we both have young children, and it sounds silly, but that's the common ground that fosters the rapport behind a lot of business, helps make us feel connected to each other.

Equally as important, I can see whom we know in common. I can say we both know "Jim", and it's no longer a cold call. I can ask for an introduction from Jim and you're more likely to believe in me. My book explores these concepts, like transitive trust: because you trust Jim and Jim trusts me, you're more likely to trust me.

The other thing that's really interesting is the notion of being able to hypertarget. Because profiles on social networking sites like Facebook are the basis for establishing a person's identity, people are remarkably forthcoming with information about themselves. Most people include their gender, some state their age, their birthday, their hobbies, their interests, their alma mater, where they work, what their role is. This is really important data that marketers could use in a non-invasive way, to show targeted ads.

Why did you join salesforce.com?

After Stanford, I worked at Google in corporate strategy, under Shona Brown, who got her PhD here in the management science and engineering department. I had a terrific time there. I became very interested in business and a strong believer in the Web-based application model.

Salesforce.com pioneered the software-as-a-service model and was built on bringing the power and ease of consumer Web applications like Google and Amazon to the enterprise. It seemed like a great opportunity to join a fast-growing company and apply my experiences at Google while working with some of the best marketing and sales people in the industry.

What did you study here?

I studied computer science and economics as an undergrad. I also got a Master's degree in computer science. My course mentors were Armando Fox, who is now at Berkeley, and Terry Winograd, who heads up the human-computer interaction research initiatives in the Stanford CS department. Terry and Armando taught me the lesson that technology is meaningless unless it is usable, interesting, and well designed —unless it can change people's lives.

You were a Mayfield Fellow. What did that mean to you?

The Mayfield Fellows Program is by far the most incredible experience I had at Stanford, in terms of both informal and formal learning, and the connection to

fellow students, faculty and industry. Tom Byers and Tina Seelig have masterfully crafted and honed a total immersion program in entrepreneurship—not just starting companies (although plenty of that too), but a different way of looking at life and creating one's own opportunities even when it seems impossible.

You also had some pretty impressive extracurricular activities.

My junior year at Stanford I created a technology education 501(c)(3) nonprofit called Camp Amelia. We developed technology curriculum and education software for low-income immigrants in East Palo Alto, and later expanded to Ghana. It was an interesting time to work in Ghana. It had just become a democracy and was going through a technology revolution. We thought this was a great opportunity to take all of the software and curriculum that we'd just developed, and make it available, open source, to developing countries to help fuel the movement.

I spent a summer in Ghana. During that process, I got to know a lot of the NGO's, such as the World Bank, and the UN, and people at UNESCO, specifically. I ended up consulting with them, and co-authoring a very short book for developing countries on how they could use new media. We covered everything from very basic CDs and DVDs, to some of the software that we were developing, and some of the collaboration that is possible over the Internet, and how they could use them to help be more effective in their curriculum distribution and teacher training. It was very meaningful work to me, though I never thought it would come full circle and become relevant for my current work with social networks and new media.