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Business Chatter

# Cyber security alert ... There are only two kinds, which one are you?

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Posted: Friday, April 29, 2016 4:00 am

Linda Drake, Special to Inside Tucson Business

A common meme in the imploding industry of information security is the assertion that there are only two kinds of companies:

Those that have been hacked and those who don't know they've been hacked!

Which one are you?

There are some stunning statistics\* that every small and medium-sized business should know that require your attention and action for your protection.

No business or organization can prevent data breaches. A single credit card data breach can cost your business \$217 per incident

According to experts, the cost of a company-wide data breach costs a minimum of \$10,000



Linda Drake

92 percent of companies experiencing a breach did not know it (they were notified by a 3rd party)

75 percent of breaches occur in businesses with less than 100 employees

Only 25 percent of breaches are IT or hacker-related; this means 75 percent of breach events are related to current/former employees, customers, vendors, contractors and organized crime or social engineering

Yet, 83 percent of SMB's do not have a formal cybersecurity plan.

Most importantly, 64 percent of companies with 500 or fewer employees go out of business within a year of being hacked!

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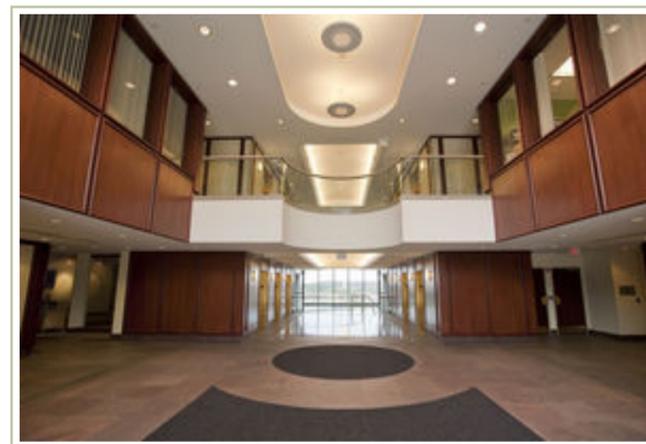
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If the last statement does not compel you to take action, close your business down now!

The age of the 'Internet of Everything' is upon us. Companies need to harness this technology as an asset or potentially endure irreparable harm. According to Gartner Research, companies incur four times the expense to respond to data breach events than the installation of appropriate security technology to prevent it. Of course, the actual expense of a breach does not include the correspondent frustration, aggravation and untold embarrassment.

As a business owner you may be asking yourself, am I really at risk? "Indeed, you really are!" retorted Kathy Delaney Winger, Esq., an attorney who practices in the area of cybersecurity. "All companies must protect 'Personally Identifiable Information,' commonly termed (PII)." PII can be defined as any information about an individual maintained by an agency, including (1) any information that can be used to distinguish or trace an individual's identity, such as name, social security number, date and place of birth, mother's maiden name, or biometric records; and (2) any other information that is linked or linkable to an individual, such as medical, educational, financial, and employment information."

"The truth is," stated Kathy, "the definition of information is very broad, as is your obligation to protect it. For example, even if a business owner hires a third party to perform services that involve the use of PII (such as payroll processors) the business owner may still be at risk if a breach occurs."

According to Kathy, there are multiple factors that you should consider when thinking about cybersecurity and protecting your business. "It's critically important to be aware of the PII that your business is collecting, holding and/or sharing with third parties," said Kathy. "Once you've made yourself aware of it, you should take steps to protect the information and have a plan as to how you will handle matters (such as complying with your obligation to notify affected parties) in the event of a breach." Kathy recommends that business owners work closely with professionals who are knowledgeable in this area, including lawyers and companies that specialize in computer security. According to Kathy, businesses should also discuss the issue with insurance professionals. "I recommend that business owners consider purchasing cyber insurance that will protect the company should a breach occur," said Kathy. She continued "the statistics cited at the start of this article illustrate that, once a breach occurs, a company's liability can be extensive. Thus, business owners are well advised to insure against data breach losses just as they insure against many other kinds of losses."

According to James Riley, CEO of JNR Networks, the number one technology virus is the user! Most systems are compromised by users who knowingly or unknowingly create the vulnerability of access to your data.

So what steps should you take to protect your data and your company?

The first, most immediate action is modifying the approach to passwords. Some IT experts suggest that you should treat passwords like underwear: don't leave them where people can see them, change them often, do not lend them to others, and make sure they are a good "fit". Further, the obfuscation of passwords is critical.

"Passwords should not include the obvious," James suggests. "Do not use passwords with your kids' names, spouse, pets or anything that people know about you," James commented. Passwords should be at least 8 characters that include upper and lower case, numbers and symbols. The key to a unique and memorable password is the linking and twisting of terms that only have meaning to you. "Spell words that are jumbled and have no relationship to each other, just to you."

Beyond the password basics, James added, "All companies need at the very minimum, business grade (BG) antivirus software, BG firewalls, and BG equipment. But, all the best of these tools are nothing without the development of Acceptable Use Policies (AUP) that are established, reinforced and enforced in each company."

One of our country's greatest founding fathers had it right—

"By failing to prepare, you are preparing to fail."

In the 18th century Ben Franklin had no idea that his words would be so applicable in this era coined, "The Third Wave of the Internet," by AOL's founder, Steve Case. The SMB bottom-line regarding cybersecurity is a simple message: explore, embrace, manage and, above all, control cyber technology before it controls you.

\*Statistics presented by a panel of experts for AZ Tech Council at the recent Tech Junction Conference in Tucson. Kathy Delaney Winger, Esq. of The Law Offices of Kathy Delaney Winger and James Riley, CEO of JNR Networks were two of the panelists.

*Editor's Note: Linda Drake is a 25 year, seasoned global entrepreneur, corporate executive, author and Certified Professional & Executive Coach. As a CEO for CEO's, Linda founded Trailblazer Advisors to catapult economic growth and leadership skills for business owners and senior management at any stage in the business lifecycle. She believes that strong business leadership and entrepreneurship are the heart and promise of America. Linda is the President of the International Coaching Federation of Southern Arizona.*



You see, it's the authentic black chocolate that Ferranti imports from Oaxaca, Mexico that reportedly makes a difference in his local eatery's business. Without that chocolate, there's no Oaxacan mole; and without his mole, protests would surely erupt.

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