

Grasping the cybersecurity reality

Obama promises stronger action, but are businesses taking the threat seriously?

President Barack Obama made an important first step when he recently pledged a new federal emphasis on cybersecurity, describing electronic information as “the backbone that underpins a prosperous economy.”

Some scoffed at the idea of the government trying to close the barn door after the cows got out. Some fretted over exactly what kind of role the feds might take in regulating cyberspace. But overwhelmingly, the reaction from the business world continues to be a yawning and unsettling indifference to the strategic threats that our rapidly evolving information networks pose to businesses of all types and sizes.

While we await the promised appointment of a federal cybersecurity czar and ponder exactly what kind of ally the government will be in securing electronic information that drives our economy, the president's comments should at the very least serve as yet another reminder that businesses must start taking the cyber threat seriously.

For an alarming number of U.S. companies, the safekeeping of electronic information remains an esoteric concern that takes a back seat to the day-to-day obligations of running a business. Sadly, it invariably takes a costly data breach, malicious hacker or



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Erin Nealy Cox

some other compromise of strategic information to create the kind of “aha!” moment that forever changes habits within an organization

and places a greater value on prevention. Such a cavalier attitude is incredibly reckless considering the price paid for lost data, when a lost laptop costs the typical company \$50,000, and a breached database containing personal information can be ruinous to the bottom line, not to mention a company's hard-earned reputation.

Electronic information is crucial to companies today, in many ways rivaling the value of traditional hard assets and capital. Yet so many businesses continue to be unconcerned about the safekeeping of these digital assets in ways that would never be tolerated for traditional assets that are closely guarded under lock and key. A Verizon Business Risk team report released in April acknowledged the trend, confirming that more electronic records were breached in 2008 than in the previous four years combined. Even more startling, the report indicated that nearly nine out of 10 breaches were considered avoidable if security basics had been followed.

However, it's flat wrong to assume that data security is only something that

banks and credit card processors should be concerned about. As the cost of data storage space has plummeted, businesses of all types have been able to make greater use of computer networks and databases. Consider the gigabyte — the amount of computer memory capable of storing two filing cabinets of scanned documents. A company would have paid approximately \$1,000 in 1992 for a gigabyte of storage space, while the projected cost in 2010 for the same amount of data storage space is two cents. In short, everyone is in the information business these days — whether they realize it or not.

Not only are businesses using more digital information than ever before, this information is of an increasingly personal nature. These assets are largely intangible, yet their value cannot be underestimated. Likewise, when this information is compromised in some way, it creates a liability that the business world is only just now starting to appreciate.

Indeed, the very fact that the Obama administration has grasped the need to pay greater attention to cybersecurity should not be viewed as a sign that help is on the way. Instead, it should be a reminder that it's time for all businesses to get their own houses in order.

NEALY COX is a deputy general counsel and managing director at Stroz Friedberg LLC. She oversees the firm's Dallas office and works with clients in the areas of digital forensics, cybercrime investigations, data breach response and electronic discovery processing. She can be reached at enealycox@strozfriedberg.com or 214-377-4555.