



THE  
SECURITY  
STANDARD™

September 13-14, 2010 > Marriott Brooklyn Bridge > New York, NY

Produced by  
**CSO**

**Defending the Fortress:  
New Threats Meet New Defenses**



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# Keeping on “Top” of Evolving Threats

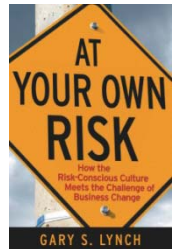
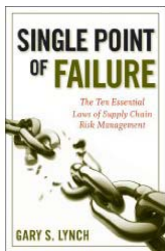
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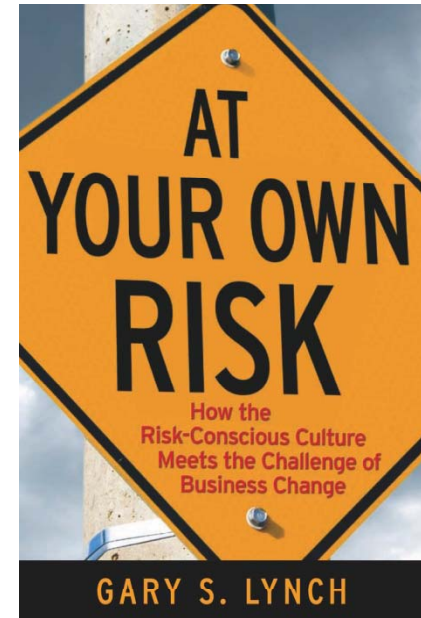
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## A Confession!

- \$12 million fraud
- Organized crime and foreign nations
- Escalating costs and “un-sellable” value proposition
- Massive security design and interoperability flaws in new technology platforms
- Privacy ignored
- Client server security unachievable
- 2 year CISO life cycle
- Cosmetic industry dwarfs security industry
- “Lynch, your problem is that you care too much”

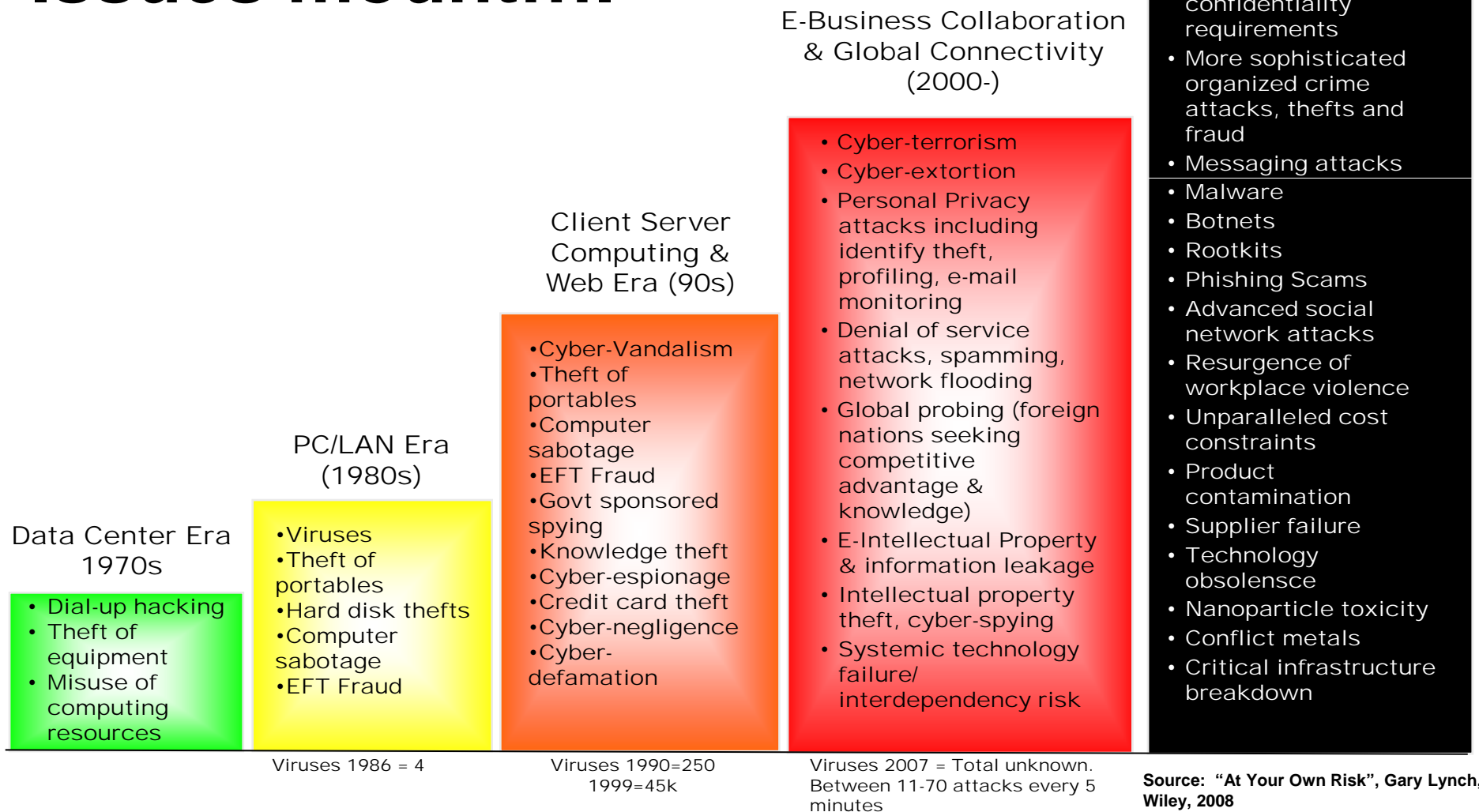




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## Issues mount....



- eDiscovery
- Cloud security
- Encryption hacks
- Environmental and energy regulation compliance
- DLL vulnerabilities
- PCI compliance
- Government access to communications and confidentiality requirements
- More sophisticated organized crime attacks, thefts and fraud
- Messaging attacks
- Malware
- Botnets
- Rootkits
- Phishing Scams
- Advanced social network attacks
- Resurgence of workplace violence
- Unparalleled cost constraints
- Product contamination
- Supplier failure
- Technology obsolescence
- Nanoparticle toxicity
- Conflict metals
- Critical infrastructure breakdown

Source: "At Your Own Risk", Gary Lynch, Wiley, 2008



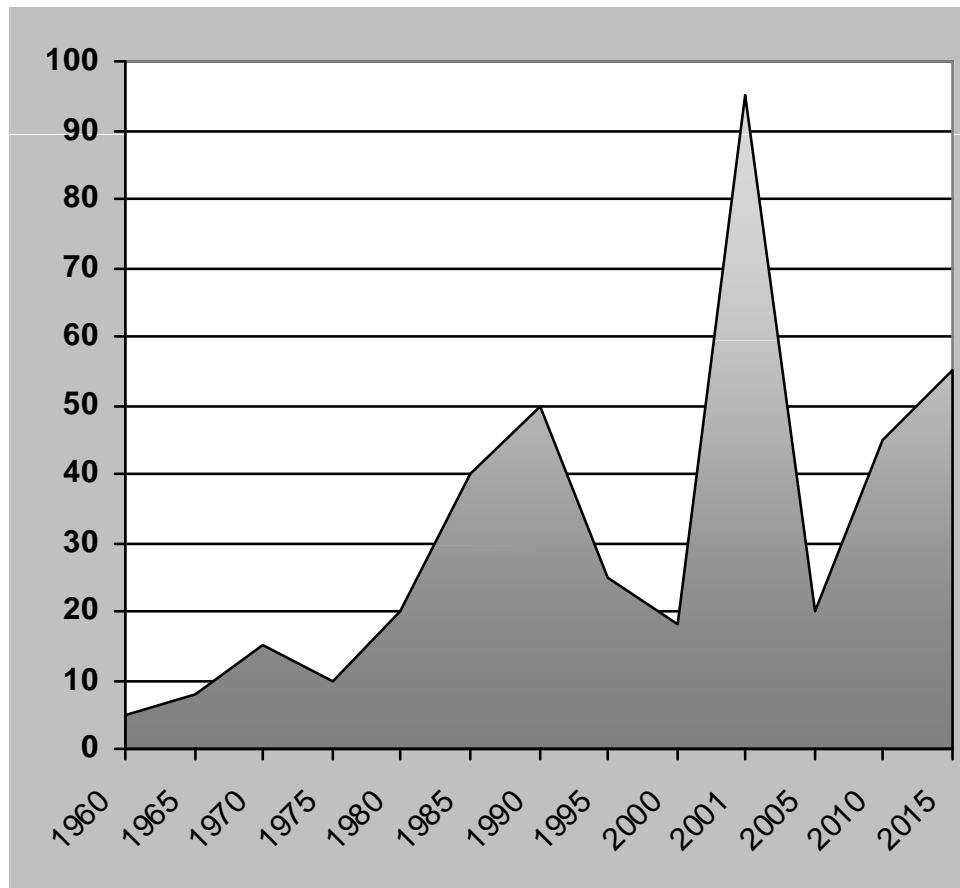
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## Back on Top?





## How Do We Keep It On Top?





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## Key Concepts

- **R**elevance
- **E**fficiency
- **V**alue



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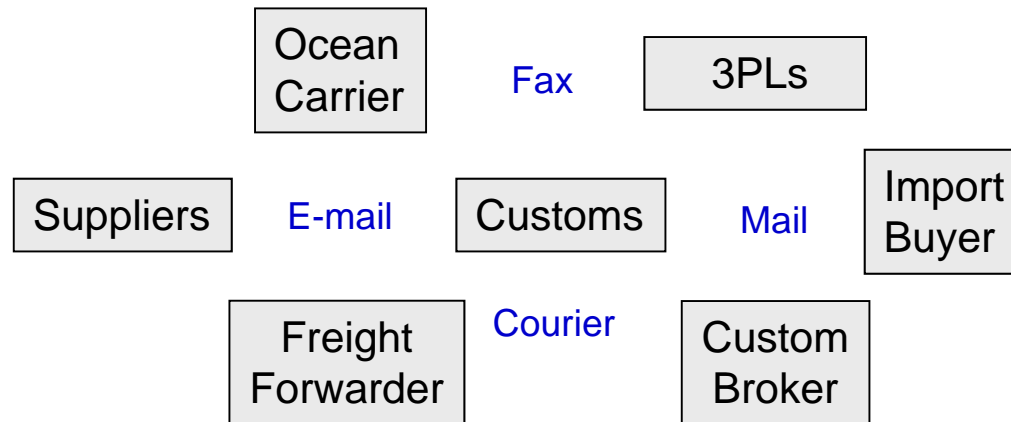
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## Relevance

- Next wave of leaning (and risks)  
Information flows
- AIAG – MOSS work group study







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## Findings

- 15% of inbound ocean shipments experience delays en-route due to inaccurate or incomplete data
- Majority of providers are faxing, emailing and even carrying paper documents for shipments
- 79% of all data used in re-keyed
- Potential savings of > \$1 billion



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## Relevance

- Change = uncertainty
- Leaning opportunity = exposure to uncertainty
- Exposure to uncertainty = relevance
- Integrated business, financial & operational initiative (and opportunity)
- Observe business trends, position and build the case!



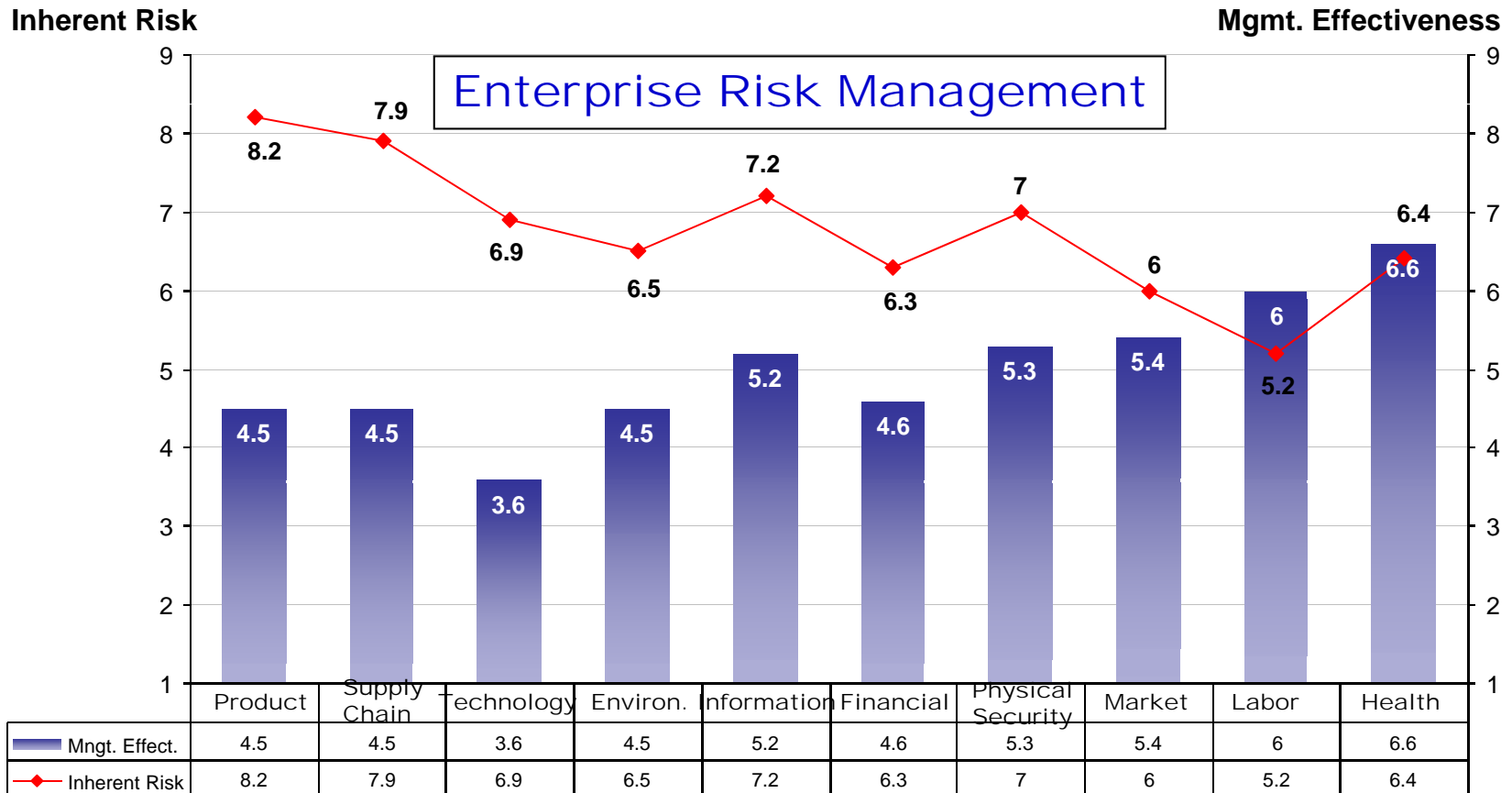
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## Efficiency



Source: Marsh



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**Economic & Financial**

- Economic collapse
- Currency devaluation

**CFO, Legal**

transfer velocity, collateral

**Political & Social**

- Government collapse and/or attitude

**Government Affairs & Legal**

- Unfavorable dividend & share sale
- proceed transfer
- Military coup
- Unilateral expropriation
- Nationalization

**Brand/Org Reputation**

- Product & service

**Crisis Management, Legal, Marketing**

- High customer satisfaction
- Marketing runner

**Weather**

**Security, BCM, EM, RM, Facilities**

**Environmental & Man-Made**

- Chemical, biological, radioactive, atomic nuclear
- Fire and/or explosions

**EH&S, Facilities RM**

- Asset insurance

**Psychopathic, Criminal & Terrorist**

**Security, Human Resources, Operations**

## Competing and Inefficient Risk Initiatives

**Strategy**

- Unanticipated competition
- Product misplacement
- Communication

**C Suite Sales & Marketing**

**Informational**

- Loss of proprietary and/or confidential data (e.g., sales, trade)

**Security, IT Security, Legal**

**Technology**

- Technology hardware failure
- Test failure software failure (bug, code, viruses, poor quality)

**IT Security**

**Operational**

- Project management failure
- Cost of work

**Operations, Procurement, Logistics**

**Compliance & Governance**

- Management failure

**ERM, Legal Product Risk**

- accidents, errors, & omissions

**Health**

**EH&S, Security**

**Labor**

**Human Resources**



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## Efficiency

- It's about the macro risk priorities and the paradigm
- Lead by *integrating and leveraging common processes* rather than...integrating organizations
- A common set of metrics and ERM approach help prioritize risk activities



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## Value

- “You don't get paid for the hour. You get paid for the value you bring to the hour.” Jim Rohn
- “Value” according to the stakeholders
- Top down or bottom up?



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# Value

Client, Competitors, Regulators, Ecosystem

Market

Families, SKUs, Services, Products, Brand

Value

Product or Service, Cash, Information

Flows

Sourcing, Distribution, Origination, Productions, Logistics...

Processes

HR, Security, Procurement, Sales, Compliance....

Functions

Labor, Technology & Processing, Assets, Relationships

Resources

Source: "Single Point of Failure",  
Gary Lynch, Wiley 2009



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# Summary

- Exciting time & many opportunities
- More complex and competitive risk environment
- Higher stakes, role more critical than ever
- Market, business & behavioral risk consciousness needed
- Priorities: **R**elevance, **E**fficiency and **V**alue





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# Thank You!

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