
What are the costs of poor security?

Posted by groenfeldt - 2010/10/18 17:38

Kroll, the global security firm, reported that theft of information and electronic data at global companies surpassed the value of physical loss for the first time over the last 12 months.

Information-based industries reported the highest incidence of theft of information and electronic data over the past 12 months. "This year's study shows that the amount lost by businesses to fraud rose from \$1.4m to \$1.7m per billion dollars of sales in the past 12 months" an increase of more than 20%."

"While physical theft of cash, assets and inventory has been the most widespread fraud by a considerable margin in previous Global Fraud Reports, this year's findings reveal that theft of information or assets was reported by 27.3% of companies over the past 12 months, up from 18% in 2009. In contrast, reported incidences of theft of physical assets or stock declined slightly from 28% in 2009 to 27.2% in 2010."

Interestingly enough, departing employees were often the source of theft because internal controls are so lax.

"Companies need to regularly evaluate how they are controlling access to information within their organization to ensure they are keeping pace with technological advancement and the imperative for collaboration in the workplace," said Robert Brenner, vice president of Kroll's Americas region.

The report added that information-based industries reported the highest incidence of theft of information and electronic data over the past 12 months. These include financial services (42% in 2010 versus 24% in 2009), professional services (40% in 2010 versus 27% in 2009) and technology, media and telecoms (37% in 2010 versus 29% in 2009).

Re:What are the costs of poor security?

Posted by sediga - 2010/10/21 11:38

If you are referring to theft of IP, that's always been there --- maybe it is just more advertized these days. I do think that it *could* be easier to steal IP these days (USB drives, flash, etc), but we have more security in place than ever before. I think one balances the other out.

Re:What are the costs of poor security?

Posted by srw134 - 2010/10/21 22:37

Well this is all a question of priority in the eyes of the company management. It is not hard to put easy controls on computers to limit this type of theft but most companies still leave it open to make things easier. If this was really something a company wanted to limit they would.

-sean

Re:What are the costs of poor security?

Posted by caragarretson - 2010/10/25 06:21

What does this report mean for the state of IT security products in general? I would hope by now most companies are using at least basic security technology (firewalls, antivirus, etc), but if electronic theft is greater than physical theft, that implies that locks on doors and ID access cards are doing a better job than web filtering and data leak protection products.

Re:What are the costs of poor security?

Posted by srw134 - 2010/10/31 19:26

Well it seems to be that the same factors which have always existed still do, i.e. convenience vs security. If a company wants to really be as secure as possible they will invest in not only the security technologies which are available but also

the proper training for those individuals working inside the company. The problem is that the tighter you make the security the less you make the systems convenient. Always a hard question to resolve as the person (or group) responsible for security.

-sean

Re:What are the costs of poor security?

Posted by caragarretson - 2010/11/16 06:14

I think this is what makes the CISO job so difficult, striking that balance between keeping the company safe from threats while allowing, or even enabling, employees to still do their jobs. Some CISOs have a knee-jerk reaction to say no to everything, and then be worn down. Others approach their positions as opportunities to enhance productivity, new business, etc., while still protecting the network.

Re:What are the costs of poor security?

Posted by srw134 - 2010/11/25 04:42

To me this is all part of the job description, as a security expert it is your job to know the balance between what is needed in convenience and what is needed for security. As my job a network designer is to manage the amount of money spent on each different part of a network. It is certainly one of the hardest parts of the job to pick up, in terms of experience. Much of the time this is just a measurement of different factors based on your previous experiences.

-sean

Re:What are the costs of poor security?

Posted by yoonsie - 2010/12/01 18:45

In November, PricewaterhouseCoopers put out a brief paper on information security that I think people might find useful. I've attached it here.

Re:What are the costs of poor security?

Posted by yoonsie - 2010/12/01 18:46

Sorry, I wasn't able to attach the pdf. Here is the link:

<http://www.pwc.com/us/en/10minutes/assets/10-minutes-on-information-security.pdf>

Re:What are the costs of poor security?

Posted by caragarretson - 2010/12/20 08:56

Some interesting security predictions by analyst Andreas Antonopoulos of Nemertes found here <http://bit.ly/securitypredictions>. These predictions include coming to grips with new security risks posed by consumer devices on the corporate network, the burdens of breach notification, new privacy issues in the cloud, a continued emphasis on identity-based controls over location-based security, and continued consolidation of security vendors. Which of these do you agree with, and which do you take issue with?

Re:What are the costs of poor security?

Posted by srw134 - 2010/12/20 20:42

All of these are issues which certainly make the life of a network security individual quite interesting. There are certainly many different strong opinions on the issue of allowing consumer electronics on secure corporate networks as our others threads have shown. Cloud security is certainly an issue which is being vetted now, this will resolve itself as the services mature. I am not sure if the cloud (public) will ever be used for really secure information, but for other information it will become more and more important as a source of offloading storage and services.

-sean

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