



Privacy is all around us

Kirke Management Consulting

Privacy and Data Breaches

Something in common?

- Large and well-known organizations
- Strong reputations...
... until they didn't
- Breaches could have been avoided

The logo for Equifax, featuring the word 'EQUIFAX' in a bold, red, sans-serif font with a registered trademark symbol.The logo for Heathrow Airport, featuring the word 'Heathrow' in a bold, blue, sans-serif font, with the tagline 'Making every journey better' in a smaller, blue, sans-serif font below it.The logo for Yahoo!, featuring the word 'YAHOO!' in a purple, sans-serif font with a registered trademark symbol.The logo for Uber, featuring a stylized 'U' inside a dark blue square with rounded corners, and the word 'UBER' in a white, sans-serif font below it.

It is a Hyper-Connected World



PRIVACY



ANDROID



Privacy Incident Causes

Technology

- Malicious attacks and system glitches
 - Ransomware
 - Phishing
 - Viruses
- Lack of strong security practices around technology usage

Human Error

- Limited internal resources
- Use of volunteers
- Lack of awareness around obligations
- Social engineering

Underground Economy of Ransomware

1

There are currently **6,300+** estimated dark web marketplaces selling ransomware, with **45,000** product listings

2

The prices for do-it-yourself (DIY) ransomware kits range from \$0.50 to \$3K. The median price is \$10.50

3

From 2016 to 2017 YTD, the ransomware market has grown from **\$250K** to **\$6.25MM**, a growth rate of **2,500%**

4

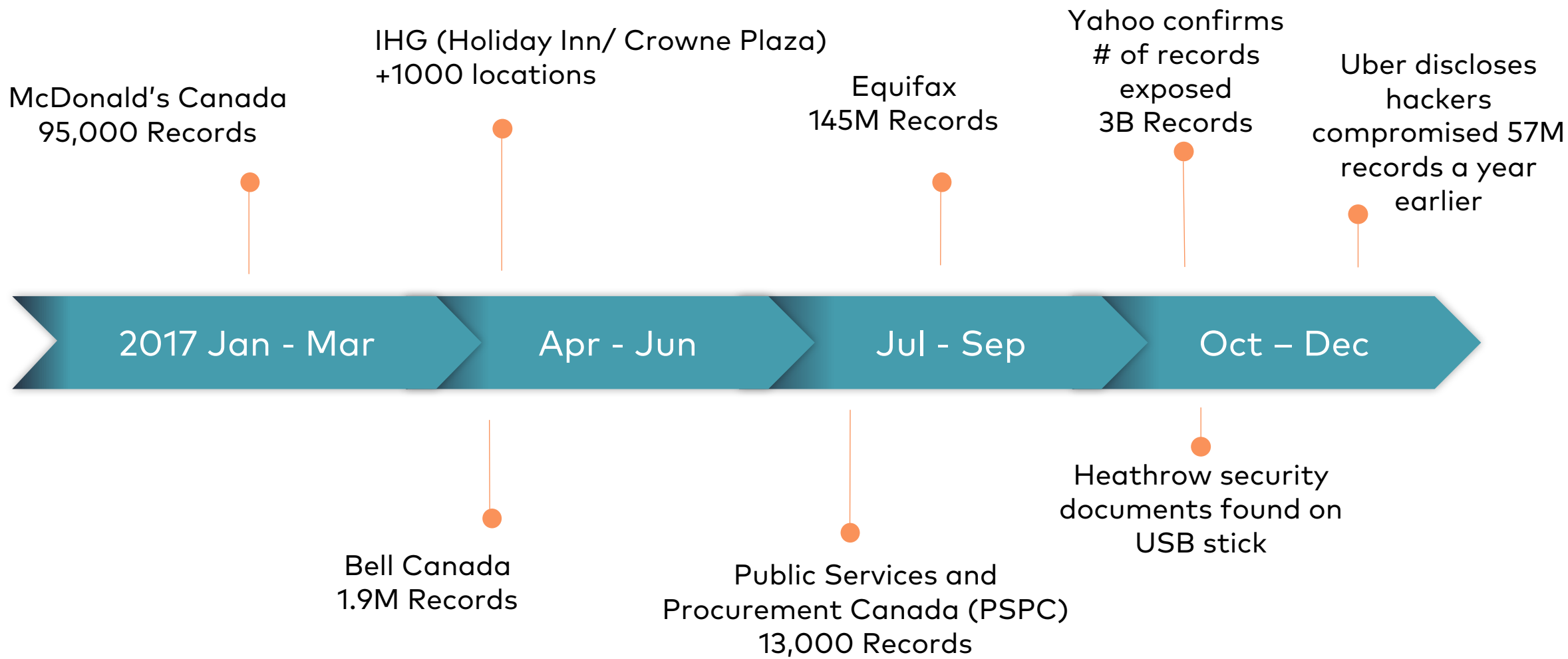
This economy extorts ransom payments that totalled about **\$1B** in 2016, up from **\$24MM** in 2015

5

The most notable innovations used for ransomware are **Bitcoin** for payments and **Tor** for masking illicit activities

Impacts of Privacy Breaches

2017 Breach Examples



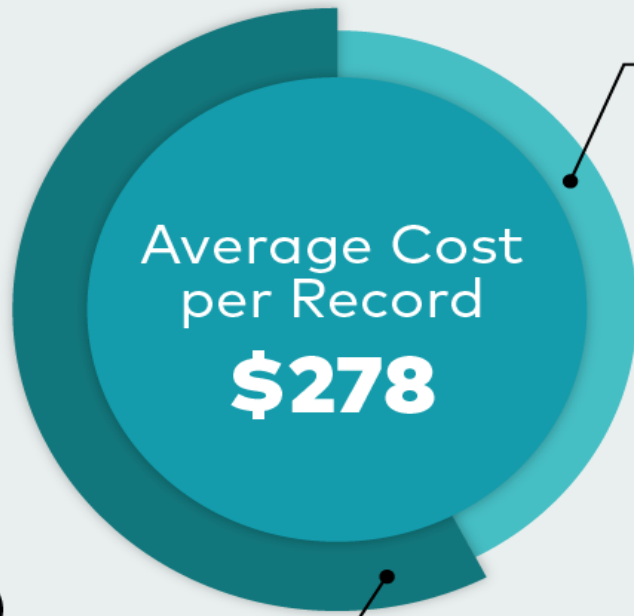
Impacts of a Breach

A diagram showing three teal rounded rectangular boxes arranged horizontally, pointing to the right. The boxes are set against a light gray background that has a large arrow shape pointing right. The text inside the boxes lists the impacts of a breach.

Brand erosion and
reputational damage

Investigation and
resolution activities
that drain business
resources

Fines, reparations and
lawsuits



\$118 Direct Costs

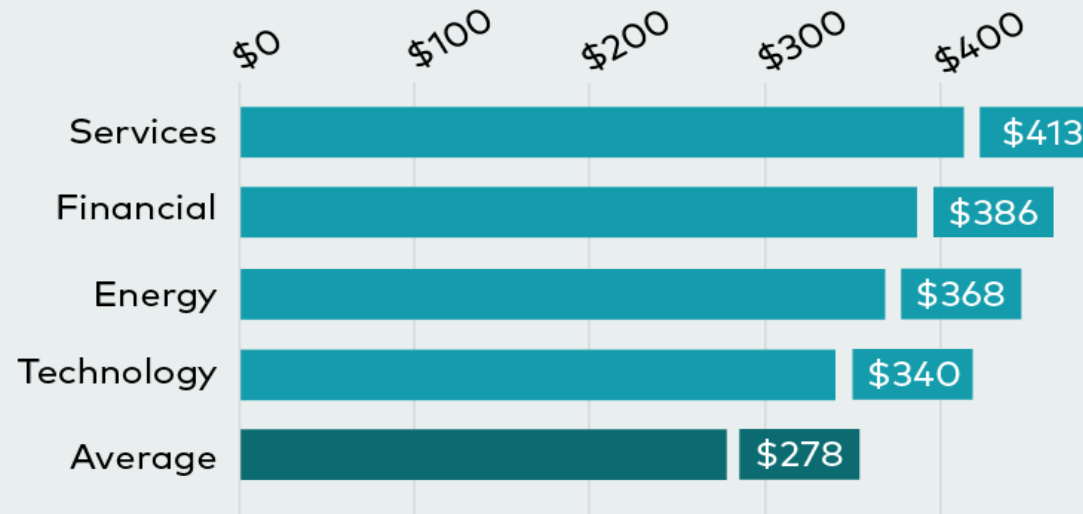
- Engaging forensic experts
- Outsourcing hotline support
- Providing free credit monitoring

\$160

Indirect Costs

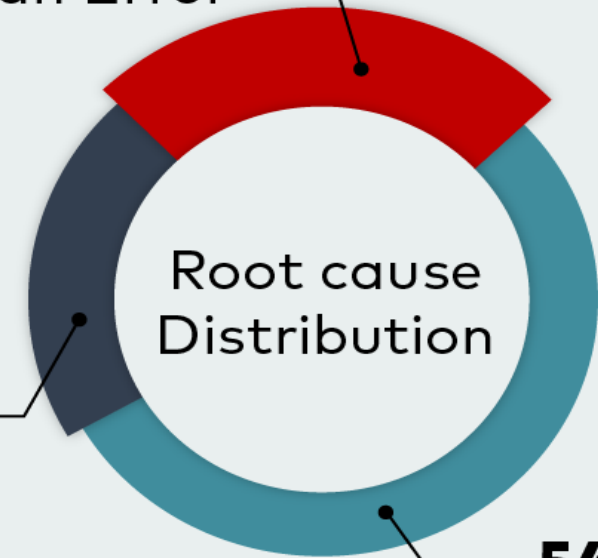
- Inhouse Investigations and communication
- Diminished customer acquisition rates
- Customer loss from turnover

Data Breach Cost Per Record by Industry (\$CAD)



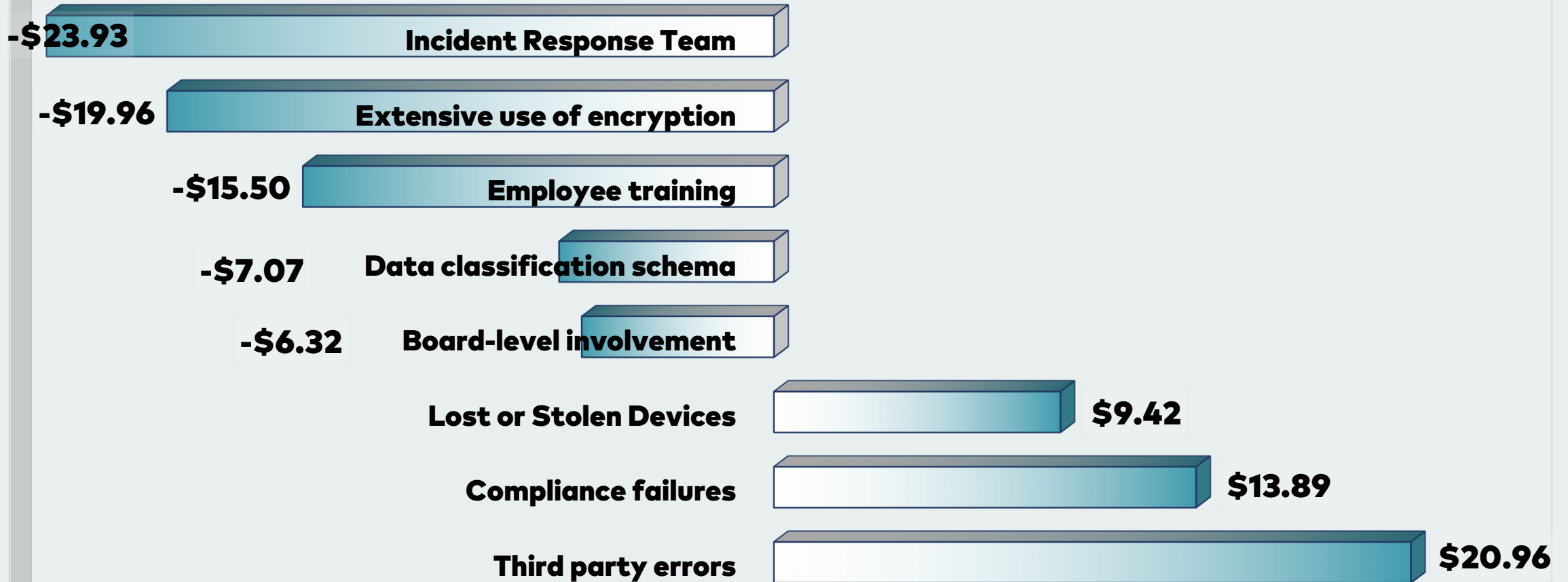
25%
Human Error

21%
System Glitch



54%
Malicious
or Criminal

Factors Impacting Costs Per Record

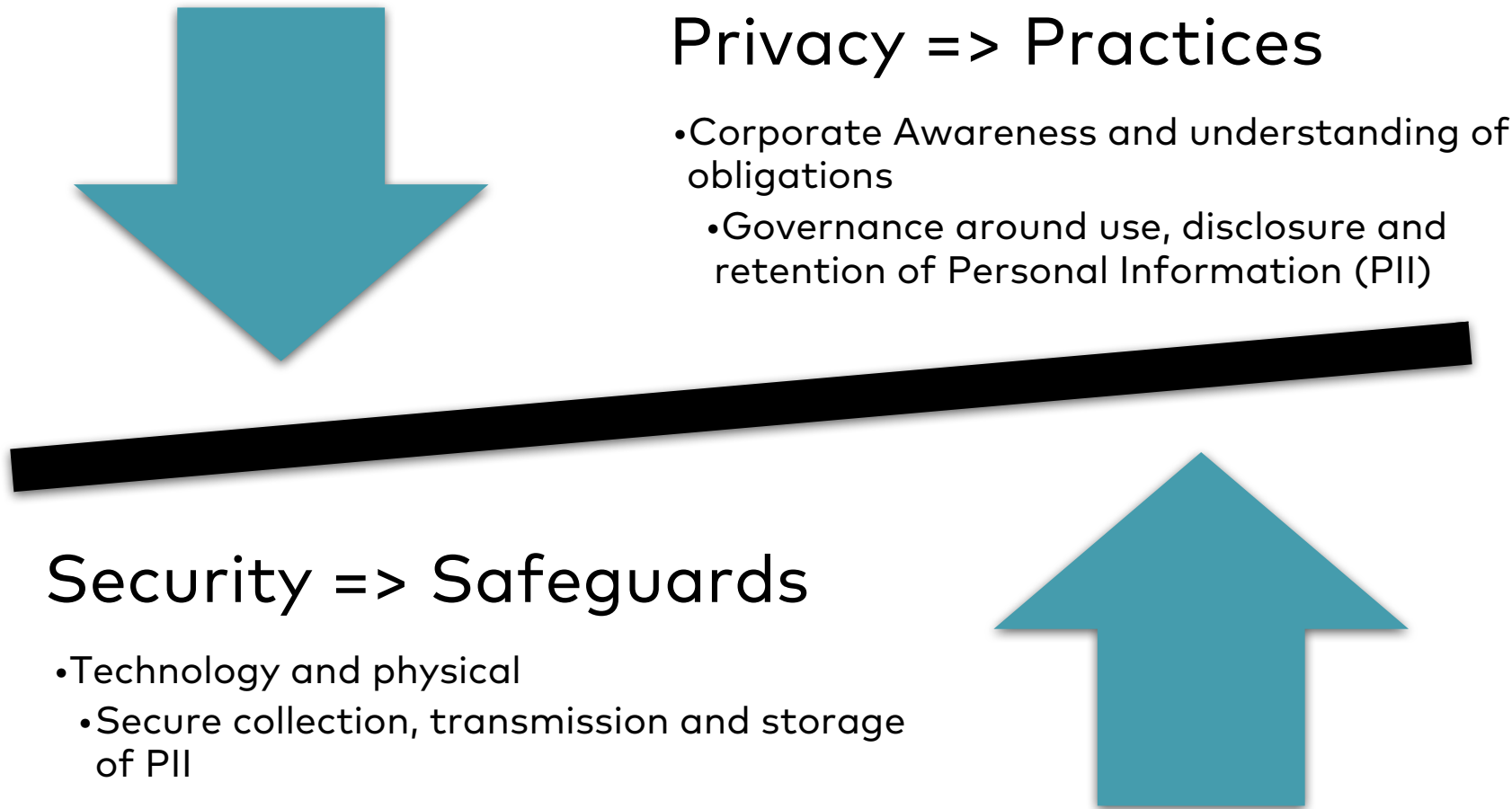


2016 Cost of Data Breach Study: Canada
 Benchmark research sponsored by IBM Independently
 conducted by Ponemon Institute LLC - June 2016

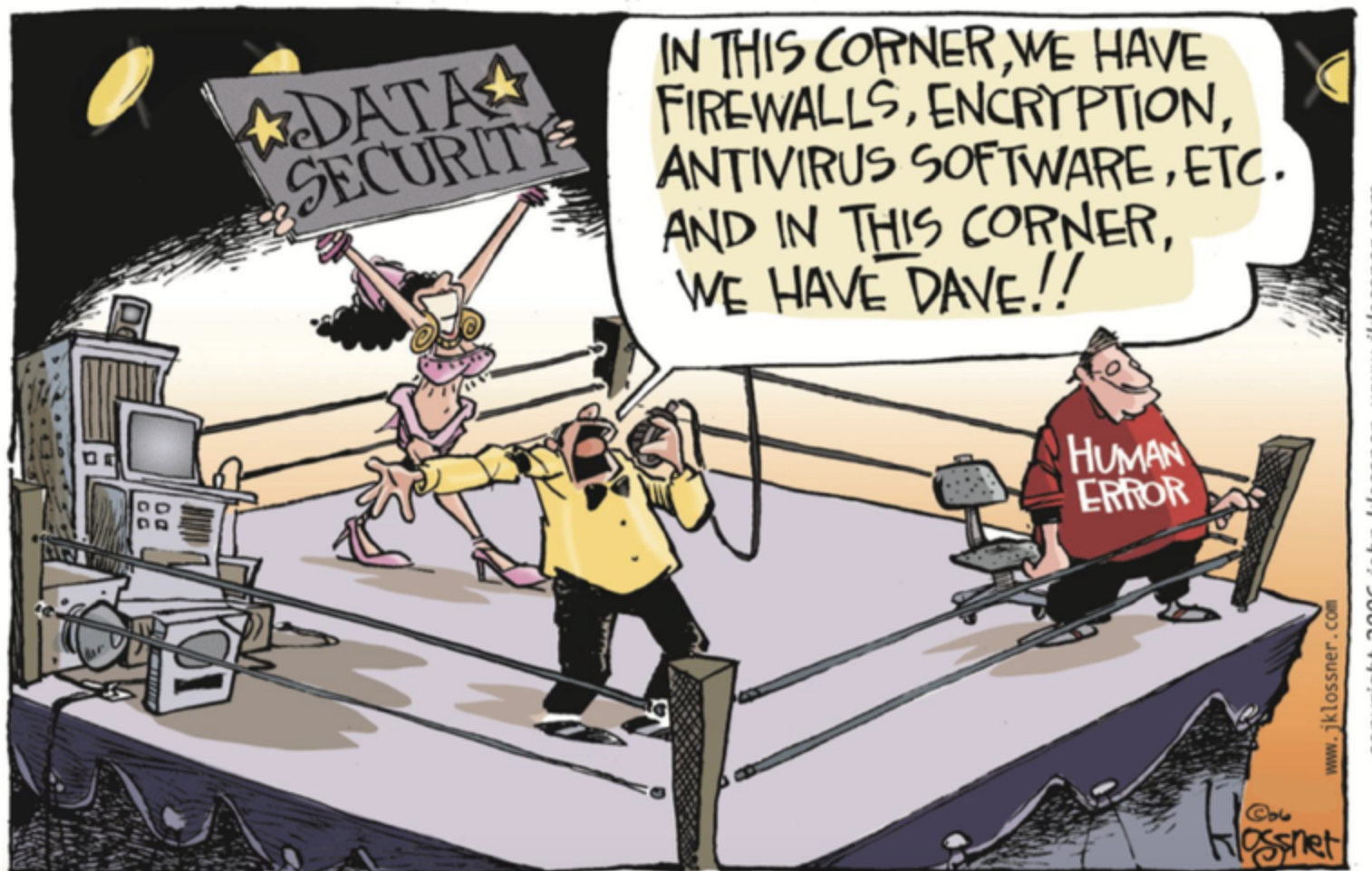
Difference from mean \$CAD

Privacy and Security

Privacy vs Security – Same?



Perfect Depiction



Key IT Security Measures

IT Security

Encryption at rest & transit (data and hard drives)

Access and password management

Backups

Antivirus and firewalls

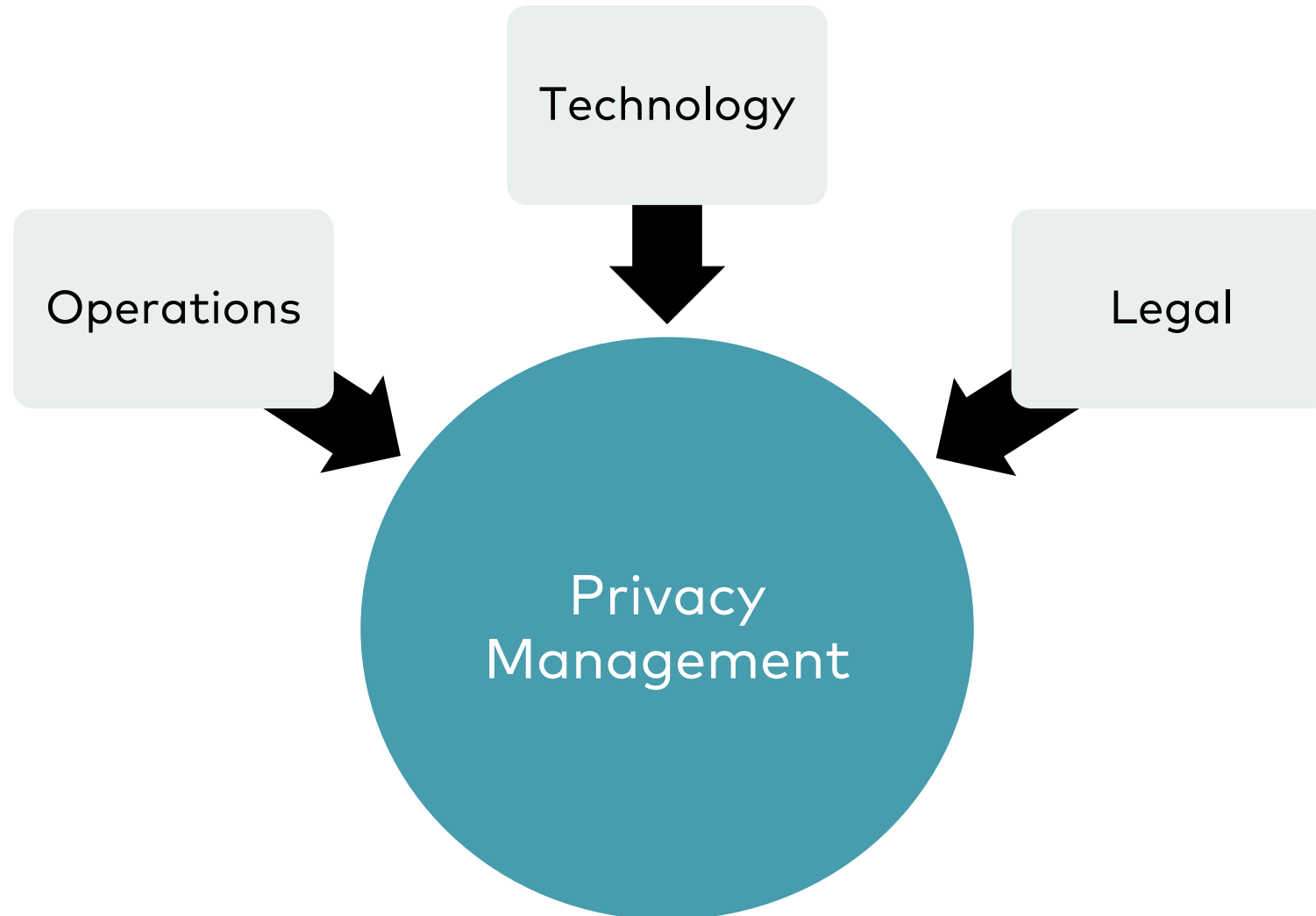
Internet, IM, and email controls

Regular software updates

Mobile device management

Good Privacy Practices

Three Pillars of Privacy Management



Privacy Regulations Around the World

Canada

- Federal
 - **PIPEDA** (private sector)
 - **CASL** – Anti-Spam Legislation
- Provincial (BC, AB, QC)
 - PIPA (private sector)
 - FIPPA (public sector)

USA

- HIPAA
- FCRA
- COPPA
- CalOPPA

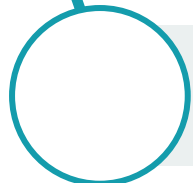
EU

- Data Protection Directive
- E-Privacy Directive
- **GDPR (2018)**
- E-Privacy Regulation (TBD)

Myths Around Adopting Privacy Practices

A teal circle with a line passing through it, serving as a bullet point.


Seen as restricting, not enabling

A teal circle with a line passing through it, serving as a bullet point.

Level of risk is perceived as low

A teal circle with a line passing through it, serving as a bullet point.

Cost generator

A teal circle with a line passing through it, serving as a bullet point.

"It's an IT thing"

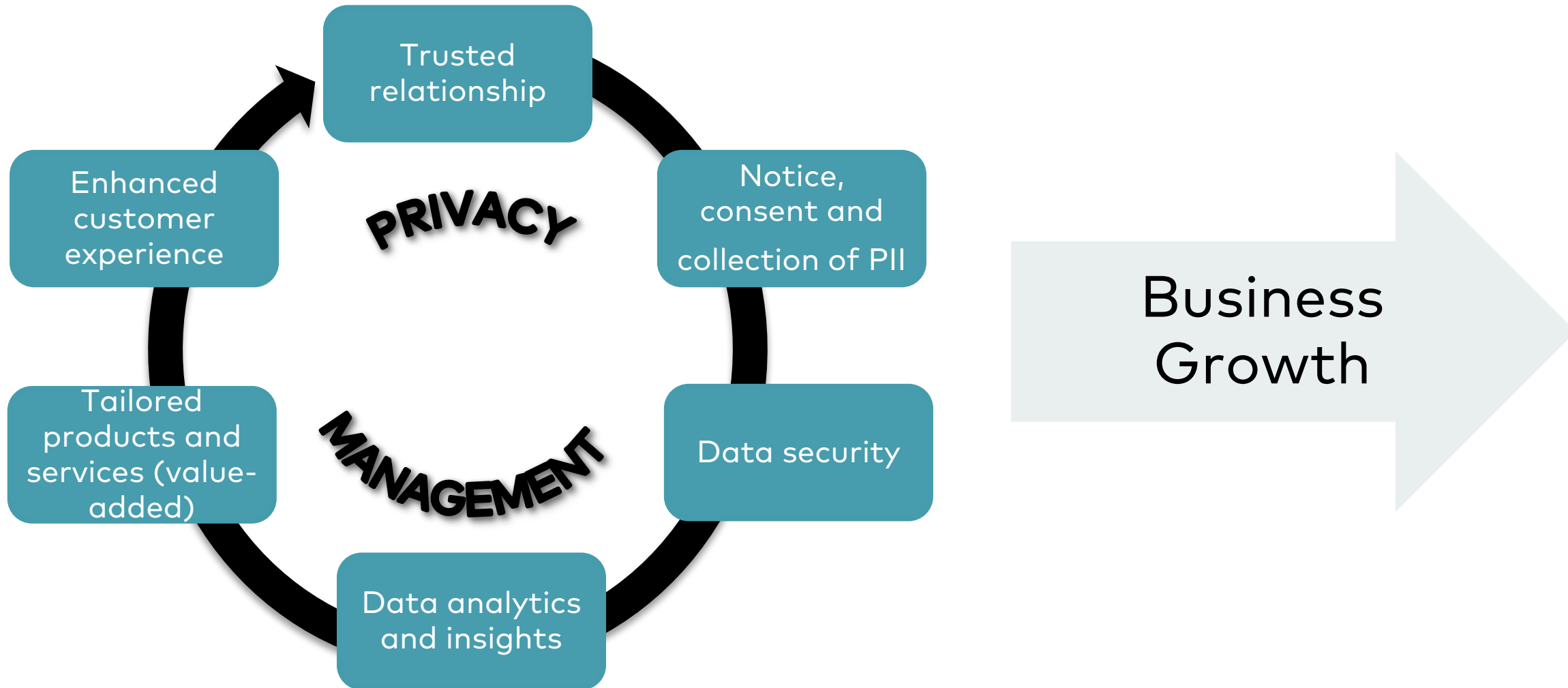
Advantages of Managing Privacy

Better brand identity
and organizational
reputation

Trusted partnership
with stakeholders
through proactive risk
management

Compliant use of PI
improves customer
experience, better
service, innovative
business models

Privacy and Data Management Cycle



What is Next?

What is Changing

Mandatory breach notification – Digital Privacy Act/ PIPEDA (in progress)

GDPR – EU data protection regulation (May 2018)

Where Do We Go From Here?

- Determine what is your level of Privacy maturity
 - Assess your risk and current gaps
- Adopt "quick-wins"
 - Appoint a CPO
 - Create or review privacy policy
 - Train employees, volunteers on privacy practices and their obligations
 - Identify IT security areas of risk
 - Include appropriate disclaimers in your e-Newsletter sign up form
- Establish an incident response procedure
- Bring in experts when required

Thanks!

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Strategy. Transformation. Results.

We are a strategy consulting firm that enables business growth and minimizes corporate risk. We believe that safeguarding personal information has become paramount in a rapidly expanding digital world, therefore we help organizations gain relevant data insights to build tighter relationships with their customers, all within a strong privacy management framework. This results in increased brand recognition, improved reputation in the industry and trust within their customer-base.

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