

All.Net Analyst Report and Newsletter

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The “big deal” approach to risk management

Lots of firms recognize that when they do a big deal, they need to scale up their legal profile. In fact, it is fairly common for legal efforts to start “in anticipation of litigation” whenever there is a big deal in the offing. That’s because any time a deal exceeds \$100M in value, the chances of litigation go up, and any deal in excess of \$1B is almost guaranteed to involve law suits.

What does that have to do with information protection?

Most firms have an overall protection posture suited to their overall business, and few if any firms do hundred million or billion dollar deals every day. That means that, while large firms may always have something brewing that requires added efforts, for most of their information and associated infrastructure, they operate at a level of assurance suited to the need, just as they don’t prepare specifically for law suits in small deals that occur regularly. But for efforts where there is a higher threat (i.e., a virtual certainty that experts will be acting against them in ways they consider to be malicious), it only makes sense to scale up their protection program and efforts.

An approach to scaling up protection for the big deal

So how do we do this? There are many approaches, but one of the simplest ones we know of is to treat the big deal as if it was a new high-valued short-lived micro business. Identify a deal team and separate them from the rest of the enterprise. Give them their own separate systems, network, physical space, phone system, etc. With modern technology, there is no problem having each of a set of deal teams with independent infrastructure. To the extent they need access to enterprise capabilities, these can be provided on separate systems. So they may still do time cards and corporate internal email using the enterprise mail system, but deal team 5 will have their own independent emails, phone numbers, etc. for deal 5. And deal team 5 will be independent from deal team 6.

As an example, you might try to set up a micro-business and see how long it takes. Here’s an estimate. Go to the phone store of your choice and purchase the cell phone of your choice and a month-to-month service (\$300+\$50/mo is easy to get). Create a PO box for the mail (<\$100/y), buy an inexpensive mobile computer with the necessary software (\$1,000 per person unless you reset an existing computer for less) and pile in your favorite protective mechanisms. Set up email accounts on whatever existing service you like (free or close to it), set up a bank account with a deposit of however much you need for the next month, lease a small office space short term (\$12,000/y), and buy a fabulous safe (\$5,000). At this point, you are good to go. Low profile and hard to link to the big deal except by the rest of the deal-team.

Summary

This is a simplistic approach to a secure operation setup. Similar things can be done for other covert activities that should reasonably be kept separate and protected from threats to the enterprise. It doesn’t have to be expensive, hard to do, or burdensome. It allows the big deal to be dealt with by the deal team without disrupting the rest of the business, in relative safety.