

BUSINESS DIMENSIONS

FINANCIAL STRATEGIES FOR THE ENTREPRENEUR



Cyberattacks increase on businesses – large and small

Efforts to protect your business should increase, too.

A recent report on data breaches says that 58% of malware attack victims are categorized as small businesses. And the attacks are increasing: 61% of small businesses have experienced a cyber breach in the past 12 months – up from 55% in 2016.

With this kind of data, it's no wonder that the MAIN STREET (Making Available Information Now to Strengthen Trust and Resilience and Enhance Enterprise Technology) Cybersecurity Act of 2017 has been proposed. Once law, it will require the National Institute of Standards and Technology (NIST) to provide cybersecurity resources specifically geared for small businesses.

But rather than wait for Congress to enact legislation or – worse – for cyber criminals to target your business, take time now to refresh your digital protection and make investments in software where needed. Check your computers' security system and networks and ensure each computer has up-to-date antivirus software installed. Make sure operating systems and browsers have automatic updates enabled and personal firewall protection is turned on.

TAKE IT FROM UNCLE SAM ...

Outside the walls of Congress, the U.S. government is also working to help businesses stem the rising tide of internet security threats. In its Privacy & Data Security Update: 2017, the Federal Trade Commission (FTC) reports that it has distributed

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Cyberattacks increase on businesses – large and small (cont.)

millions of copies of educational materials describing ongoing threats to security and privacy and, more importantly, how to address them. Business-specific education and guidance materials released in 2017 include (along with some convenient links):

- **Stick with Security: A Business Blog Series** – Created to expand the FTC’s Start with Security business guidance, the blog offers additional insight into the 10 Start with Security principles based on the lessons of recent law enforcement actions, closed investigations, and experiences of companies.

Visit:

ftc.gov/stick-with-security

ftc.gov/tips-advice/business-center/guidance/start-security-guide-business

- **Protecting Small Business** – This newly launched site includes educational materials to help businesses stay ahead of the latest scams, reduce the risks from cyber threats, keep customer data safe and respond in case of a data breach.

Visit: ftc.gov/about-ftc/bureaus-offices/bureau-consumer-protection/small-businesses

- **FTC videos** – Five videos cover data protection topics like how the NIST Cybersecurity Framework aligns with the FTC’s work on data security, how to respond if your business is impersonated in a phishing scam, how businesses can defend against ransomware, using email authentication to prevent phishing emails from getting through to your customers, and steps companies should take to respond to a data breach.

Visit: ftc.gov/news-events/audio-video/business

Although the thought of warding off cybercrime can seem daunting, promoting safe internet usage and taking measures to protect your company’s information now can protect you from costly and timely security breaches down the road. ■

NEXT STEPS

- Review the current virus protection on your company’s computers to ensure it’s up to date.
- Use the provided links to visit the FTC’s website for helpful information.
- Talk with your employees about your plan for data security and their role in keeping data safe.

GUIDING BUSINESS, PROTECTING CONSUMERS FROM CYBERCRIME – AND MORE

The FTC is an independent U.S. law enforcement agency charged with protecting consumers and enhancing competition across broad sectors of the economy. This includes a wide array of practices affecting consumers, including those that emerge with the development of new technologies and business models – such as cybersecurity guidance for business.

That’s why, along with information about protecting your business from cyber threats, the FTC’s Privacy & Data Security Update: 2017 report also contains other valuable information important to your business and your customers. For your complete PDF copy of the report, visit ftc.gov and search Privacy & Data Security Update.



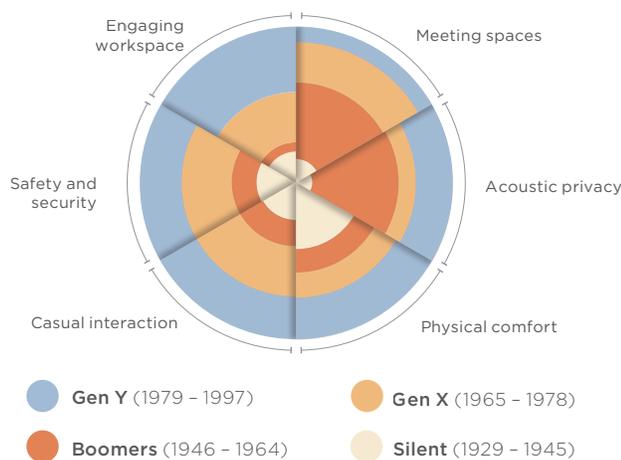
Approved for all ages

People are working longer, so it makes sense to have a workplace where every generation feels welcome, happy and, as a result, productive.

As people are living longer and working later in life, four generations are sharing a workspace for the first time in history. With experiences and viewpoints that span seven decades, 15,500 employees that range from the Silent Generation to Generation Y were asked what, to them, is most important at work. Not surprisingly, the four disparate generations rarely agreed, but their answers did offer some insight into the ideal office of the future.

SIX METRICS THAT MATTER NOW

Representing three United States-based multinational companies in 40 countries, respondents weighed in on the importance of these workplace features:



WHAT THE FUTURE HOLDS

Knoll Workplace Research suggests we will be seeing these trends in mainstream offices soon, if we haven't already.

CHOICE

The office will provide features, technology and policies that enhance the freedom to decide how, where and when employees work. Training will center on using space and technology wisely.

EXPERIENCE

The workplace will shift from supporting function to creating an environment that embraces the social and emotional components of work.

INTEGRATED WORK

Spaces will support working in individual and group settings. The future office will have an active feel, with a constant flow of people in and out of the space.

DISPERSED SPACES

Easily accessible, multi-use spaces will be sprinkled throughout. Many offices already have something along this line: an open landscape with some offices, as well as formal and informal meeting areas.

NEXT STEPS

- Take stock of your current workforce to see the age range of your employees.
- Consider mentoring as a way to get generations working together and to build understanding between younger and older workers – everyone has something to contribute.
- In a casual and unimposing way, have conversations with employees about their current work environment – you can use the metrics above as a conversation starter, and make sure to encourage candor.



When the wind blows . . . or worse

A volcano in Hawaii, wildfires in the West, floods in the Midwest, hurricanes on the Gulf Coast, snowstorms in the Northeast – what’s a business to do?

According to the Federal Emergency Management Agency (FEMA), 40% of businesses do not reopen after a disaster and another 25% fail within one year. But it doesn’t take a natural disaster to put a business in the dark. So what, exactly, is a business to do? Plan.

THERE’S A POLICY FOR THAT

A good place to start is with property hazard or general liability insurance. General liability combines coverage for damaged property and for people, should someone on the premises suffer bodily injury. Keep in mind that these policies may need to be supplemented with additional policies or riders to help your business recover after a disruption.

Business interruption, catastrophe, or business income insurance protects you from profit losses and is available for two scenarios: Loss of income because business operations are interrupted, and the reimbursement of expenses you incur in an effort to keep your business going. It can also cover employee salaries.

Carefully review any type of insurance policy, because they often name exclusions that would surprise you. For example, a “Named Peril” policy only covers the disasters named within the policy, such as fire or vandalism. If a disaster occurs that you couldn’t even imagine – like a meteor crashing into your building – this type of policy would not cover that damage.

A comprehensive all-risk policy covers damage caused by all types of perils, and any exceptions will be named within the policy. But read the fine print because it may specifically name coverage exceptions, like earthquake and flood damage. Some policies allow you to include additional perils for an extra fee. Note, how-

ever, that all flood policies are offered through the federal flood insurance program.

A business owner policy (BOP) can be customized to combine several different insurance policies under one umbrella. You can generally receive a lower single premium and easier administration with a BOP, which may include property insurance, business interruption insurance, vehicle coverage and professional liability.

MAKE IT YOUR POLICY TO PLAN

Be ready for anything with a business continuity plan. This is vital for your business to prepare for, survive and recover from any type of disaster. To get started, consider using free resources available at disastersafety.org. Then share the plan with employees, assign responsibilities and offer training so everybody knows what to do.



Of course there’s far more that can be done and more planning that can take place. For additional information, visit the IBHS website at disastersafety.org. They provide a wealth of tools (they call toolkits), resources, links and ideas that can help you get started. ■

NEXT STEPS

- Talk to your insurance agent to make sure you have sufficient coverage.
- Create a continuity plan and review it with your employees.
- Choose a remote site at which to store critical information/data, files, product/inventory, etc.
- Talk with your advisor about coordinating policies – based on your overall financial plan – with your broker and setting up a contingency fund for quick access to funds immediately after an unforeseen event.