

INTELLECTUAL PROPERTY AND CRITICAL INFORMATION PROTECTION



In today's global business environment, the control of information and intellectual property (IP) can determine the success or failure of even the most established firms. The convergence of cloud computing, social networking, and mobile platforms has revolutionized the way companies do business. While these technological innovations have reduced marketplace time and distance barriers, they have also increased the number and nature of risks to companies' critical information.

In many cases, IP and critical information are more valuable than a company's physical assets. Formulas, designs, patents, inventions (products and processes), trademarks, copyrights, trade secrets, and institutional knowledge give companies a competitive advantage and differentiate their unique value in the marketplace. Competitors, sovereign governments, and transnational criminal organizations as well as individuals with financial, political, social, or destructive motivations pose critical threats to this value. Of particular concern is the need to protect designs and IP when outsourcing to various geographies.

Catching and prosecuting the thief or hacker and subsequently retrieving the stolen IP or critical information is often difficult, if not impossible. In addition, while many companies may have spent time and money on technology to secure information and IP, they have not invested the time to better understand its sensitivity and value or to analyze its protection beyond technology.

The financial consequences of IP theft are staggering. According to the U.S. Commerce Department, such theft costs an estimated \$250 billion annually and costs the United States approximately 750,000 jobs. The

Who it's for

Any medium or large firm in any industry that has or is experiencing the following:

- Outsourced operations, particularly to emerging markets
- Requirements for the maintenance and use of sensitive information (nonpublic financial information, customer information, medical records, etc.)
- Regulatory or compliance issues around IP and critical information
- Rising cost of solutions and seeking to justify return on investment
- Operational efficiency concerns

What you get

- A more comprehensive understanding of how information flows throughout your organization
- Controls for IP and/or sensitive/confidential information in its various states (electronic, hardcopy) and lifecycle (origination, transfer, stored, destruction)
- A technology and process roadmap that considers your business requirements in the context of current technologies being used
- Global access to skilled privacy, security, analytics, and risk management professionals

International Chamber of Commerce puts the global fiscal loss at more than \$600 billion a year. IP theft's impact on the global economy accounts for \$500-600 billion in lost sales each year, or 5-7 percent of world trade (Source: World Customs Organization).

In addition to safeguarding the value of IP and other critical information, the traceability and integrity of information have become essential for many industries. For instance, the food industry requires information traceability for rapid, targeted product recalls. Within the pharmaceutical industry, regulatory compliance and supply chain safety both depend on having accurate, real-time information.

Financial services companies, health care providers, and technology vendors are selectively using cloud computing models, lured by lower costs, flexible service models, and faster speed to market. Furthermore, businesses are becoming more interconnected and expanding into new riskier geographic areas. Balancing the risk versus reward is difficult when sustainable competitive advantage comes from quickly adopting new and often riskier operating models. Given the global risks surrounding information, quality, security, privacy, and integrity are all concerns for organizations.

- Information quality: information that is used for critical decision making
- Information integrity: information that presents significant exposure if inaccurate
- Information privacy: information that is not permitted to be disclosed from a legal, regulatory, and/or contractual standpoint
- Information security: information that if compromised could represent a significant breach in the control environment

While there are numerous technology solutions for securing information and legal protections such as contracts and patents, it is not enough to address the IP and critical information value risk inherent in today's business environment.

THE MRC APPROACH TO CRITICAL INFORMATION AND IP PROTECTION

Marsh Risk Consulting (MRC) has developed a comprehensive methodology to help you protect your IP and critical information. While IT-based security is clearly essential, it is far more effective when it can be combined with process controls

and utilized with optimal efficiency. To optimize IP and information security, you must have absolute knowledge of the processes by which information moves—from origination, to transfer, to usage, and finally to destruction. It also requires specific controls for the state of information, whether physical or electronic.

SERVICE HIGHLIGHTS

MRC understands the complexity and challenges of the information supply chain and offers the resources necessary to execute tailored IP and information security solutions, allowing organizations to concentrate on their core business functions. By using process, qualitative, and quantitative analyses, MRC helps organizations to identify, analyze, prioritize, label, and secure their IP and critical information. Our replicable strategy and approach can apply to a business, division, or process.



MRC's five step approach allows us to quickly identify, analyze, prioritize, and secure your IP and critical information.

- 1. Identify and Define IP and Critical Information**—We work with you to define the scope of critical information and IP.

- 2. Identify Macro Processes**—We map key processes for a product, service, department, or across the enterprise in order to inventory and understand the flow of information (from origination through destruction) in all forms (physical, electronic, intellectual).
- 3. Map Key Resources to Processes**—We identify and map key resources (people, technology, physical assets, relationships) to the processes in order to determine how this information is used and manipulated, who has access to it, and what controls are currently in place.
- 4. Analyze IP and Critical Information Assets and Controls**—Our team of analytics experts measures key exposures and models those exposures against solutions to support risk decisions and to justify control solutions, providing a better understanding of the return on risk investment. These efforts include the creation of a risk index and a gap analysis of existing controls.
- 5. Determine Risk Mitigation and/or Transfer Solutions**—We identify specific solutions necessary to close the gaps and may include process, technology, or insurance solutions.

- A sustainable process that provides for control solutions commensurate with the sensitivity of the information and provides for effective and efficient management of security risk, especially as change occurs to business operations and/or technology platforms
- Enhanced information protection policies and standards to provide greater guidance on how to achieve the desired level of assurance
- Solutions that can be easily associated to policy requirements

MRC's team includes industry, information and IP, privacy, analytics, and insurance experts who develop tailored solutions for each client. No other firm brings together the level of expertise of our integrated team. Combined with our unique framework, developed by practitioners and consultants working across multiple industries and geographies, MRC is able to provide a comprehensive solution to address critical information and IP protection as well as risk transfer options for any organization.

THE BENEFITS OF THE MRC APPROACH

Our unique framework and our integrated team of business risk specialists can deliver numerous benefits for your critical information and IP protection program which include:

- A process for identifying the sensitivity of specific information based on an organization's specific internal and external information protection drivers (e.g., competitors' requirements, business requirements, industry standards and best practices, client requirements, internal/external audit requirements, regulatory and contractual requirements, internal security/quality/IP and privacy policies)



To learn more about MRC's intellectual property and critical information protection services please visit www.marshriskconsulting.com, contact your local MRC or Marsh representative, or contact:

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