



## Feature Article

### **U.S. Companies Lost up to \$59 Billion in Propriety Information and Intellectual Property**

*By: ASIS International, PricewaterhouseCoopers and U.S. Chamber of Commerce*



**New York, N.Y. (Sept. 30, 2002)**

U.S. companies lost up to \$59 billion in proprietary information and intellectual property according to survey results released today by ASIS International, through its Council on Safeguarding Proprietary Information and aided by the sponsorship of PricewaterhouseCoopers, the U.S. Chamber of Commerce and the ASIS Foundation.

The 10th Trends in Proprietary Information Loss Survey was conducted among CEOs of Fortune 1,000 companies and of 600 small and mid-sized companies that belong to the U.S. Chamber of Commerce. The report found that responding firms experienced proprietary information and intellectual property (IP) losses of between \$53 billion and \$59 billion from July 1, 2000 to June 30, 2001.

Of the companies responding to this study, 40% reported incidents of known or suspected losses of proprietary information.

Companies with such losses experienced two incidents in the reporting period.

Research & development (R&D) and financial departments suffered the greatest dollar value of loss per incident--\$404,000 and \$356,000, respectively.

Many companies don't value intellectual property until litigation. Since these assets are not typically tracked in corporate accounting systems, they often are not well protected.

The greatest risks for companies reporting a loss of proprietary information and intellectual property were former employees, foreign competitors, on-site contractors, and domestic competitors. Hackers are also considered a major problem, and this is an area that should be earmarked for heightened scrutiny by businesses and in upcoming sequels to this survey. Companies that had made IP protection a high priority indicated no loss incidents.

"While the risk of cyberterrorism is increasing, the theft of intellectual property is where companies are incurring the most losses to date," said Jay Ehrenreich, Senior Manager at PricewaterhouseCoopers' Cybercrime Prevention and Response group.

The most common areas of infiltration were R&D (49%), customer lists and related data (36%), and financial data (27%); however, the number of reported incidents, in order of magnitude, were customer data, strategic plans, financial data, and R&D.

*(Continued on page 8)*

*"Without mission, there's no purpose. Without vision, there's no destination. Without values, there are no guiding principles."*

*~ Paul B. Thornton*

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## **President's Message**

*By Laurie Carpenter, CRM*



### **April is RIM Month!**

Promote RIM in April in your organization! ARMA International has re-vamped its WebPages to assist you in promoting RIM within your organization [www.arma.org/promoterim](http://www.arma.org/promoterim) . New posters and logos are available for 2008. In addition, a new blog has been created to promote RIM at

[http://armablog.typepad.com/RIM\\_promotion](http://armablog.typepad.com/RIM_promotion).

It can sometimes be challenging to know where to start. My advice would be to do at least ONE thing during April to promote RIM in your organization. Whether it's a RIM basics seminar, a session on how to send boxes to storage, sharing tips for managing email, a targeted educational event for your record coordinators or key stakeholders, sending a link to an article about better records & information management, candy bar wrapovers (available on the CK ARMA website), posters in the lunch room, or an all out campaign, I encourage you to do something during April. You can start small and build up each year. Its one time during the year where we can strongly proclaim our profession. Granted some people may chuckle at the idea of RIM Month, but its still an opportunity for your program to shine.

### **Spectacular Spring Seminar!**

The Central Kansas chapter hosted a spectacular spring seminar in March. We invited top speakers such as Carol Choksy and Peter Sloan to share their knowledge with participants. Two tracks were offered to enable a wide range of session topics and RIM levels. The session evaluations were positive and the results confirmed the quality of the presentations. If you missed it this year, be sure to look out for next year's seminar. See a more detailed review of the seminar in this newsletter.

### **Assess your Place in the RIM Profession**

One great outcome of the spring seminar was Carol's discussion of the RIM Competencies and the brand new RIM Assessment. The RIM Competencies are the result of years of work and they outline different areas of expertise (domains) and different levels (entry level to executive level) in the profession. The Competencies can assist both employers and employees in identifying jobs in terms of level within the organization. ARMA plans to map all the sessions at the 2008 Las Vegas Conference to the competencies, so you can create a custom learning plan for the conference.

As an ARMA member, you can take the RIM Assessment for free. As you go through each of the domains and levels, ARMA will provide the results in gap analysis format for the areas and levels you need to work on to progress in the RIM profession. The analysis will recommend training, education, seminars and reading materials to help take you to the next level. The assessment provides a powerful tool for you to develop a professional growth plan either with your supervisor or on your own.

*Continued on next page...*

### **Central KS Leadership**

#### **Laurie Carpenter**

*President*

316.828.8584

#### **Jim Mullen**

*Vice President*

316.526.0069

#### **Peggy Nikkel**

*Secretary*

620.662.6769 ext.  
214

#### **Judy Crawford**

*Treasurer*

316.828.1262

#### **Abbe Murdock**

*Membership Chair*

316.305.8284

#### **Jaclyn McCaleb**

*Publicity Chair*

316.268.7927

#### **Mike Schnier**

*Webmaster*

316.828.8854

#### **Monika**

**Stonehocker**

*Arrangements*

*Coordinator*

316.749.4416

#### **Sheri Naegele**

*Newsletter Editor*

316.828.7281

## **President's Message (cont'd.)**

### **Your Chance to Volunteer**

We are in the process of gathering nominations and volunteers to lead next year's chapter. This newsletter lists nominations and volunteers to date, but there is room for more volunteers. Volunteers are what keep the chapter going and enables us to provide quality, timely educational opportunities. For the past 2 years, the chapter leadership has worked hard to establish the chapter and provide the Central Kansas area with sorely needed RIM education.

You may be thinking, "I don't have time to volunteer." Many of the positions are only a few hours per month, including meetings. Tasks can often be performed at your convenience such as during your lunch hour or before work. Committee members help distribute the work among multiple people. You may be thinking, "I haven't been in a leadership role, so how can I help lead the chapter?" Volunteering for a leadership role can help you in your leadership skills. You can hone skills that can help you propel your career forward and advance you to the next job level. Plus, ARMA International offers free leadership training for chapter leaders that help you not only with the chapter, but in your career as well. You may be thinking, "Someone else will surely step forward." Don't fall into the tragedy of the commons-type thinking that someone else will come forward. We need you to make the chapter work! See the article in this newsletter about positions and be sure your vote counts for next year's board by attending the May meeting.

***Laurie***

## **ARMA-CK News**

### **Central Kansas Chapter Board Member Nominations**

Below are the CK ARMA leadership positions that are available along with the nominations received to date:

#### **Officers**

**President: Jim Mullen**

**Vice President: Peggy Nikkel**

**Treasurer: Judy Crawford**

**Secretary: Jaclyn McCaleb**

#### **Committee Positions**

**Program Chair:**

**Membership Chair:**

**Publicity Chair:**

**Newsletter Editor:**

There is still time to volunteer for a leadership position. It would be a wonderful opportunity for personal and professional development. You will also have an important role in shaping the Chapter's future.

Central Kansas  
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International

PO Box 1397  
Wichita, KS  
67201-1397

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[www.arma-ck.org](http://www.arma-ck.org)

## **ARMA-CK News (cont'd.)**

### **Recap of the Central Kansas ARMA Spring Seminar**

If you had the opportunity to attend the Central Kansas Chapter's annual Spring Seminar on March 11, you can personally attest to the variety and quality of the presentations given. For those that were unable to attend, here's a short recap of what you missed.

To get things rolling, this year's Keynote was presented by Dr. Carol Choksy, ARMA International President. Strategic Planning: Your Work, Your Chapter, Your Life opened up the topic for application beyond the workplace. Carol showed that by using the principles of strategic planning in situations other than the workplace, the same effects can be achieved to the betterment of our lives.

To start the Track One sessions, Laurie Carpenter (The Disney Companies) and Jim Mullen (Spirit AeroSystems) presented the ten basic elements of building a RIM program in the "Getting Started" sessions. From securing management support to creating effective policies to auditing your program for compliance and improvement, the importance of balancing a variety of factors to create a program that serves the best interests of your organization were presented and discussed.

In the advanced tracks, David Steward of Husch Blackwell Sanders gave insight from practice experience in Building an Electronic Records Environment. David's advice on reviewing change drivers through building the program and applying best practices was well received. The final take – the best system is one that is transparent to users.

Also on the advanced side, Peter Sloan, partner at Husch Blackwell Sanders offered the 2006 Federal Rules Amendments and the Sedona Conference – Separating Fact from Fiction. Peter outlined the elements of a compliant legal hold process while helping attendees understand the practical effect of the Federal Rules amendments and Sedona guidance on e-discovery, spot misinformation and mythology surrounding the Federal Rules' requirements; and identify and deal with common data management practices that can cause serious problems in litigation.

At lunch, Abbe Murdock from the Shred-It Company showed us the lighter side of information security. Her approach made for easy digestion of the security, protection and destruction of confidential information. Abbe not only encouraged us to savor our company's implementation policies but to also enhance their flavor with some extra precautionary measures and a dash of creativity.

Following Abbe's presentation, Dr. Choksy again took center stage to detail the outcomes of ARMA's two year Core Competencies project. The Core Competencies create a common bond of understanding and a common language for performance requirements. They enable individuals to identify gaps in their current skills and knowledge so they know where they need more development. They are also useful to managers and human resources professionals in defining descriptions for existing and new records and information management-related positions.

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## **ARMA-CK News (cont'd.)**

Our last two sessions of the day began with Jeff Mosch, Senior Workgroup Analyst at Koch Industries showing us tips and strategies for managing overloaded email systems with an Extreme Outlook Email Makeover.

Topic-centric folders, color coding of incoming messages and junk and spam mail flagging and removal were only a few of the tips Jeff shared to help clear the chaos from your email boxes all with functionality currently available in Microsoft applications. Both my email administrator and I were happier people after implementing Jeff's suggestions.

Rounding out the day on the track two sessions, David Thorne with Boeing Toastmasters showed us Effective Business Communication, Using Communication to Take Your Teams to the Next Level. As communication is the lifeblood that fuels effective business teams, survival and advancement means that leaders must message their planning, issues, status, and more with increased clarity and precision. David helped us acquire a variety of tools for communicating, not just to survive, but to succeed and excel.

As you can tell, this year's annual seminar set the bar for information that has not only helped attendees advance their records and information management programs and their careers, but assisted their employers in doing the right thing the right way. The Central Kansas ARMA Board is committed to combining meeting topics and speakers that keep the bar high and bring you professional quality informative programs at a price you can not afford to pass up with local networking opportunity you can't find anywhere else.

Again, we thank all presenters for their quality contributions and to all attendees for your interest. We hope you will join us at future events and get on the information train!

Respectfully submitted,

***Jim Mullen, Vice President and Interim Program Chair  
Central Kansas ARMA***



*Carol Choksy, Keynote speaker and ARMA International President*



*Kristen Richardson, Cintas visiting with seminar attendees.*



*Laurie Carpenter, President - Central Kansas Chapter, ARMA International*



*Ron Bowes, HTS was able to provide an in-depth look at HTS' services and how they can assist companies.*

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## Calendar of Events

**Tuesday, May 13, 2008**

Central Kansas Chapter Meeting

***Bypassing the Best Laid Plans ~  
How they Steal Proprietary Information***

Presented by Randy Stone and

*ARMA International*

***Central Kansas Chapter Board Member Elections***

**Registration: 11:15 AM – 11:30 AM**

**Lunch: 11:30 AM – 12:00 PM**

**Presentation: 12:00 PM – 1:00 PM**

Hinkle Elkouri Law Firm L.L.C.

2000 Epic Center – 301 North Main\*\*

Wichita, KS 67202

[Map](#)

[Menu](#)

\*\*This meeting will be held in a conference room on the 22<sup>nd</sup> floor, take elevator to the 20th floor, then 2nd elevator to 22nd floor. The parking lot is \$2 a day, \$1 half a day. The parking garage is 75 cents for each half hour up to \$4.00 all day. There are also meters on the street. There is plenty of parking in the area; however, we are unaware of any close free parking.

**REGISTER TODAY! Deadline to register is **Thursday, May 8, 2008****

[Register for meeting and pay via cash/check](#)

[Register for meeting and pay via credit card/PayPal](#)

**May 19-21, 2008**

MER Conference - Chicago, IL

Fifteenth Annual National Conference on Managing Electronic Records

Click here to learn more: [MER Conference](#)

**October 20-23, 2008**

ARMA International 53<sup>rd</sup> Annual Conference and Expo – Las Vegas, NV

<http://www.arma.org/conference/2008/index.cfm>

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## Membership Information

### Why become a member of the Central Kansas ARMA Chapter and ARMA International?

#### EXPERTISE

- ARMA Bookstore with more than 200 member-discounted RIM resources, including books, software, and videos
- Annual conference and Expo provides dozens of educational sessions
- The Information Management Journal featuring in-depth articles by leading RIM and Knowledge Management experts.

#### CONNECTION TO A GLOBAL NETWORK

- Local chapters to connect you to professionals in your area
- International chapters and members connect you to a global perspective on RIM
- Online member search to provide you with a global connection to your colleagues
- Electronic access to information, tips, and guidance from the ARMA member forum

#### PROFESSIONAL DEVELOPMENT

- Online courses and web seminars
- Career search and resume posting services
- Leadership opportunities at the chapter and international levels

Membership Options	Annual Fee
Central Kansas Chapter and ARMA International	\$210
ARMA International Only	\$175
ARMA-CK Student Membership	\$10



Join on-line through ARMA International!

<http://www.arma.org/join/apply.cfm>

If you are already an ARMA member and want to join the chapter prior to your annual renewal, please contact our Membership Chair, Abbe Murdock, at (316) 305-8284.

## Advertising Rates

The Central Kansas Chapter of ARMA International has excellent advertising opportunities, the chart below outlines the pricing structure. To advertise in the newsletter or for more information, please email [Sheri Naegele](mailto:Sheri.Naegele).

Full Page (Platinum)	\$250/yr
1/2 Page (Gold)	\$150/yr
1/4 Page (Silver)	\$100/yr
1/8 Page (Bronze)	\$50/yr

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## **Feature Article (cont'd.)**

*(Continued from page 1)*

The greatest impact of these losses, companies reported, came through increased legal fees and the loss of revenues. For large businesses of more than \$15 billion in sales, as well as for high-tech firms, loss of competitive advantage was the most serious problem. For financial institutions, embarrassment was the biggest concern.

A troubling managerial attitude also came to the attention of researchers: around three quarters of respondents indicated that information about new products and services were the life's blood of their companies, but only 55% said their management was concerned about information loss and were taking necessary precautions. Researchers also found that proper labeling and handling of classified information is not the norm among companies, nor are employees typically trained to safeguard proprietary information in the office or while traveling.

In addition, although most companies agree that the Internet represents a new threat, most do not require that information sent over the Internet be encrypted. Surprisingly, information security was given a lower priority at companies where loss had occurred.

Stephen Jordan, Executive Director for the U.S. Chamber of Commerce Center for Corporate Citizenship, warns against this attitude. "Electronic thieves are hurting businesses. We applaud the steps many companies are taking to protect themselves, but it's clear this is a big problem, and businesses that haven't invested in cyber security are paying the price."

The report concludes that several issues need urgent attention:

Companies must overcome their reluctance to share, even anonymously, information about losses in order to determine the full extent and nature of the problem.

Companies need to centralize their loss reporting systems to ensure that comprehensive data is gathered and can be reported.

Businesses must make information protection a higher priority and must institute sound protection procedures.

Corporations must set up a system for valuing intellectual property assets as they are created because over the long-term the loss in competitive advantage and market share could far outweigh legal fees.

"It is absolutely critical we protect our assets," said William Boni, Chief Information Security Officer at Motorola. "This report provides further evidence that the current best practices among companies do not provide sufficient protection."

The entire report can be found at:

<http://www.asisonline.org/newsroom/surveys/spi2.pdf> .

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## Where's Your Career Headed?

**ARMA International's RIM Self-Assessment**

helps you get excited about your career!