

## The Radar Screen

You are a successful real estate broker. You are in the business of buying and selling homes, managing agents and closing transactions. You read about information security problems of other industries everyday, but what are the risks to your business and what should you do about it? Here are ten questions that every real estate broker should ask their trusted advisers---lawyers, accountants, operations and IT staff and vendors---and use your business radar to determine if you are at risk.

- 1) What types of information do you create within your firm?
- 2) What information do you share with other companies?
- 3) What rights do you have to the information that is used in your firm?
- 4) What information security regulations apply to you?
- 5) What is your liability exposure should the information in your care be misused?
- 6) What types of information would cause the greatest concern if it was misused?
- 7) What responsibilities are placed on employees or contractors to protect information?
- 8) What backup procedures are in place to ensure graceful recovery if an event disrupts business operations?
- 9) What systems are in place to deflect or contain an attack by an outsider?
- 10) What systems are in place to reduce vulnerability to internal threats?

Real estate is a uniquely interconnected and interdependent industry. Real estate brokers differ from other information intensive industries in several ways, they:

- Depend on the exchange of sensitive information with other organizations from many different industries.
- Interact daily with Multiple Listing Systems that can either contain threats or broadcast them.
- Are not yet subject to the information security regulations that have forced changes in the internal controls of many industries and public companies.
- Are evolving to paperless transactions and other methods that will introduce new opportunities and risks.

The ten questions above are the starting point to not only manage risk, but to improve the management of the digital dimension of any business. The inescapable fact proven in many industries is that the digital component of a mature business is worth far more than the analog business. By focusing on these questions brokers are directing their attention toward something they care deeply about, the valuation of their firms.

Vendors and your IT staff will describe wonderful new technologies that can reduce the vulnerabilities of your systems and improve the efficiency of your operations. The financial return achieved on these investments can be significant, once the business leaders have asked the right management questions.

Question 11, how can information security impact market share, profitability and company valuation? Find some good answers to the first ten questions and you will know the answer.

