

SMALL BUSINESS **BIG** OPPORTUNITYSM

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Boston, Massachusetts



L to R: Michael Echols, U.S. Department of Homeland Security, and Don Anderson, Federal Reserve Bank of Boston, share cybersecurity tips with Boston-area small business owners.

*Small Business – Big Opportunity*SM symposium at Boston Fed raises cyber awareness among business owners

More than 100 Massachusetts small business owners gathered at the Federal Reserve Bank of Boston on October 19, 2015, to discuss cybersecurity, access to capital and business continuity planning. The *Small Business – Big Opportunity* symposium was hosted by the Travelers Institute, in partnership with Eastern Insurance Group LLC and the Associated Industries of Massachusetts.

During his keynote address, **Don Anderson**, Senior Vice President and Chief Information Officer of the Federal Reserve Bank of Boston, stressed that the threat of cyber crime is increasing and urged attendees to take steps to help protect their business from a cyber breach.

“It’s a matter of when, not if,” said Anderson. “It’s going to happen. Chances are, it already has happened and you may not know that it has happened.”

Anderson recommended three steps to improve cybersecurity:

1. Preparation: Prioritize the business’s critical operations and invest accordingly to boost resiliency against a cyber incident.
2. Best Practices: Install security measures such as patching and antivirus software, and regularly change passwords.
3. Relationships: Establish a clear protocol in the event of a breach. Determine which employee will manage the situation and identify the appropriate actions, such as informing partners, vendors and the insurance provider.

Anderson said the survival of large companies following recent hacking incidents suggests, to a degree, that “cyber breaches have become a part of society, and that we really need to make sure we’re doing what we can to hold them off.”

Michael Echols, Director of the Joint Program Management Office, Office of Cybersecurity and Communications, for the U.S. Department of Homeland Security (DHS), said Anderson’s insights were “spot on.”

“The federal government works to protect critical systems — those entities that affect the nation — but in order for us to be successful with cybersecurity, we have to be working together,” said Echols. “We can’t exclude individuals, their personal identities, their small businesses, their relationships — the fabric of what makes this nation.”

Stressing that cybersecurity is worth the investment, Echols recommended that small businesses have their computer systems scanned regularly by professionals to look for possible hacking incidents and to close any gaps.

“You should be driven to spend the same way that you would spend for any other business function, like accounting or physical security. We have to start thinking about cybersecurity in the same way,” said Echols.

Hope Aldrich, President and CEO of Eastern Insurance Group LLC, advised business owners to talk to their insurance agents and brokers about the cyber insurance options that are appropriate for their business.



Robert Rivers, Eastern Bank Corporation, discusses small business lending.



Hope Aldrich, Eastern Insurance Group LLC, encourages small business owners to regularly update online passwords.



Rick Lord, President & CEO, Associated Industries of Massachusetts, discusses regional business confidence.

Access to capital

In live polling, about half of the audience members indicated that they were trying to access additional capital for their business, and nearly half of those small business owners were experiencing challenges. **Robert Rivers**, Vice Chairman of Eastern Bank Corporation and President and COO of Eastern Bank, said that while capital is generally more available today than in previous years, smaller businesses tend to have a more difficult time accessing the funding than larger companies.

For guidance and support, Rivers said that the U.S. Small Business Administration (SBA) is a helpful lending resource for small business owners, as well as banks.

“The SBA has really expanded its programs, expanded its limits, reduced some of the pricing and streamlined the documentation. In short, they’ve made it easier than ever before, and by extension, made it easier for us, as banks, to participate in the SBA.”

Joan Woodward, President of the Travelers Institute and Executive Vice President of Public Policy at Travelers, advised business owners to have a detailed business continuity plan in place to help further bolster their case that their business is a good investment during the loan application process.

Business continuity planning

Forty percent of attendees said they did not have a business continuity plan or did not know if they had one. Panel members stressed the importance of such a plan to help businesses maintain operations during interruptions, adding that there are four basic steps to build an effective plan:

1. Identify threats or risks.
2. Conduct a business impact analysis.
3. Adopt controls for prevention and mitigation.
4. Test, exercise and improve the plan routinely.

“The last step,” said Aldrich, “is very important, but testing often is overlooked.” She stressed that business owners should ensure their plan works before an interruption strikes.

“It’s all in the execution, and oftentimes, that is very difficult,” concluded Aldrich.

To learn more about the *Small Business – Big Opportunity* symposium series, visit travelersinstitute.org/smallbusiness.