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St. Louis, Missouri

Michael Echols, of the U.S. Department of Homeland Security, addresses small business owners in St. Louis.

# U.S. Department of Homeland Security official to St. Louis business owners: Effective cybersecurity is risk management

Cyber risks for small and midsized business owners are "very real," according to Michael Echols, Director, Joint Program Management Office, Office of Cybersecurity and Communications, U.S. Department of Homeland Security. Echols delivered the keynote address at the *Small Business – Big Opportunity*℠ symposium, December 1, 2015, in St. Louis. Hosted by the Travelers Institute, the national education series convenes the business community with policymakers and thought leaders to discuss solutions to their most pressing challenges.

Echols said smaller businesses, in particular, are the "number one victim right now" because they often do not have the same robust cybersecurity systems as larger companies.

According to Symantec, 60 percent of all targeted cyber attacks in 2015 struck small and midsized organizations.*

"Cyber breaches occur at businesses every day, and it could happen to you," cautioned Joan Woodward, President of the Travelers Institute and Executive Vice President of Public Policy at Travelers.

Echols added that small businesses, such as accounting firms and law firms, which serve larger companies, often create "vectors" for hackers to breach critical infrastructure.

"In a lot of cases, you aren't even the intended target. They (hackers) are trying to get to the people that you support," Echols said, urging small business owners to create a workplace that focuses on cyber hygiene to help protect their business.

## Cybersecurity tips

Cybersecurity measures include education, advised panelist Jim Baxendale, President, Missouri General Insurance Agency.

"Every employee in your organization should be aware of how they can protect the business," stressed Baxendale. He urged the audience to adopt the following basic security practices:

- Use strong passwords and change them regularly
- Adhere to Internet use guidelines
- Establish mobile device security practices
- Update cybersecurity software
- Use secure Wi-Fi networks
- Create a data breach incident response plan
- Purchase insurance to cover losses stemming from a cyber incident

Mike Walsh, President and CEO, Eagle Bank and Trust Company, said, "This is about assessing and managing your risk, and you have to prioritize the systems, procedures and information that you want to protect."

Walsh stressed the importance of getting employees to embrace a cybersecurity culture, warning that if they do not, "You have a failure waiting to happen."

* Symantec Internet Security Threat Report, April 2015, Volume 20: HYPERLINK "http://webobjects.cdw.com/webobjects/media/pdf/symantec/Internet-Security-Threat-Report-Volume-20.pdf"


Every business should adopt basic cybersecurity practices, urges Jim Baxendale of Missouri General Insurance Agency.


The U.S. Small Business Administration helps bridge the gap between small business owners in need of loans and banks that can provide them, explains Dennis Melton (right), U.S. Small Business Administration St. Louis District Office.

## Access to capital

Another challenge facing small business owners is obtaining a loan to expand operations. Walsh said lending institutions have a lower risk tolerance today and, as a result, have increased their loan requirements. He stressed that business owners can improve their chances of gaining loan approval by getting to know their bankers as well as their banks.

"If you don't know your banker, and you don't know the appetite that your bank has for what you do, and if they have not expressed an interest in what you do – if they haven't been on your campus to see what you do – more than likely, you're going to have trouble accessing capital," cautioned Walsh.

To mitigate the risk for lending institutions, Dennis Melton, District Director, U.S. Small Business Administration (SBA), St. Louis District Office, said the SBA partners with lenders by guaranteeing loans, benefiting both the lender and the small business owner.

"By nature, entrepreneurs are risk takers. By nature, bankers are risk averse, so we (SBA) try to bridge that gap."

## Business continuity planning

Approximately half of the audience members indicated that they did not have a business continuity plan to help keep their business in operation after a disaster, such as a severe weather event. Without a plan, Baxendale warned, entrepreneurs are putting their livelihoods at risk.

"It's important, because losses happen. How quickly you get back in business is key to your survival, so you have to have a plan. You have to think about the worst-case scenario," Baxendale stressed.

Baxendale said a business continuity plan should provide the process for resuming operations; including contact information for key decision makers and a communications plan for informing customers, employees and other stakeholders.

Additionally, Baxendale advised business owners to talk to their insurance representative before a disaster strikes to help make sure they have the right coverages in place.

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

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