Small Business Security Issues

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Consumers nationally, and even globally, continue to embrace e-commerce technology. Since 2001, e-commerce retail sales climbed from $8.3 billion to $31.5 billion in the first quarter of 2007, which is an annual growth rate of more than 27 percent. Although this figure accounts for only 3.1 percent of all 2007 first quarter retail sales, the e-commerce rate is on a continuous rise (U.S. Census Bureau News, May 16, 2007). Additionally, projections see an annual growth rate of at least 19 percent in the near future.

Conversely, the incidence of identity theft and fraud also are on the rise. In 2006, 670,000 complaints were filed with the Consumer Sentinel; a division of the Federal Trade Commission, totaling more than $1.1 billion in losses. Sixty percent of the complaints resulted from electronic solicitations (Federal Trade Commission, Feb. 7, 2007). Although these figures are down from 2005, they do represent a significant amount to those individuals and businesses affected. According to a Wall Street Journal/Harris Interactive survey dated May 18, 2006, 30 percent of consumers have decided to limit their online shopping due to fears of identity theft.

To help build awareness of technology security issues, the U.S. Chamber of Commerce emphasizes, in its publications and on their Web site, the importance of managing business data and cyber security systems. Security risks can come from both within and outside an organization. Risks range from simple carelessness to sophisticated computer hackers. Many small business owners either do not know they are at risk or think they are immune to security breaches as they are...
too small to be targets. This may change as the bigger companies implement tighter controls, the smaller businesses may become more enticing to hackers.

According to the Federal Trade Commission, setting up sound security measures means regular assessments, coordination of systems, periodic updates and working in partnership with Internet service providers. A total security system also includes employee management and training; information processing, security, transmission and disposal; and contingency planning in case of failure. All these protocols will cost businesses time and money to implement. Failure to do so may be even more costly.

With the heralding of the new Microsoft Vista® operating system, upgraded requirements are being phased-in for enhanced secure e-commerce transmissions. The standard will be for all businesses to provide (EV) Extended Validation Secure Socket Layer encryption for their transmissions. Currently, EV certification is only available to corporations and governmental agencies. As more individuals start using Vista, more pressure will be applied for all businesses to qualify for EV certification. The costs to the business owner can range from $495 to thousands of dollars. Knowing when EV is needed and what options are available to become certified will be important to the business owner.

Look for information on small business security workshops to be offered in the Spring of 2008. In the meantime, resources are available online at:

**Federal Trade Commission:**

Securing Your Server: Shut the Door on Spam  

Security Check: Reducing Risks to Your Computer Systems  

Information Compromise and the Risk of Identity Theft: Guidance for Your Business  


Protecting Personal Information: A Guide for Business  
[http://www.ftc.gov/infosecurity/](http://www.ftc.gov/infosecurity/)

**Microsoft: Small Business**

Center Security Guidance Center  

**U.S. Chamber of Commerce**

Uuschamber.com/sb Security Toolkit  

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