

Leakage

How a Competitor Can Readily Tap Into Sensitive Information From Your Website

by *David Lithwick & Jim Davidson*

Introduction

- It is a safe bet to assume that information from your website is being tapped by your competitors every hour of almost every day. Certainly you cannot afford to go without a website. The challenge lies in cutting back on information that will otherwise help competitors to successfully ferret out sensitive information. For example, it is one thing to mention in a press release of an upcoming product launch a few details that are already common knowledge. It is another thing to list names of people within your company for further information, without having procedures in place to screen each request for information to ensure that the request is legitimate.
- The purpose of this article is to make you aware of how competitors hungry for CI will capitalize on information made available on websites, as well as suggestions on how to limit the amount of information that can inadvertently be leaked from your own company's website.

What Are Areas of Exposure Common To Many Company Websites?

Table 1 identifies nine sources of exposure on **your** website that your competitor could readily take advantage of. Table 2 cites ten website addresses of other helpful sources that a competitor will use to uncover sensitive information about your company.

Table 1 - Sources of Exposure	How Can Your Competitor Leverage This Data?
1. Career Ad - Tips off the competitor about changes in operational efficiency (e.g. specialized computer skills) or marketing focus (e.g. telemarketers)	Create what-if scenarios to develop a counter-attack
2. Focus Group Ad - Saving money on recruiting through the Internet opens up the possibility that a competitor will plant a respondent	Identify new product, target group or ad campaign on your drawing board or, influence the results of the research
3. General Product and Services Info - Failure to adequately consider the purpose and function of the information to be conveyed, e.g., are detailed product specifications necessary or will general product descriptions suffice? Should comprehensive pricing data be listed or only provided upon request?	Pinpoint gaps in your own product/services, when making sales presentation to one of your customers.
4. List of Office Locations Providing more information about their organization structure than required by most customers or potential users (e.g., listing the names and titles of <u>all</u> senior executives and department heads vs. selected contacts to answer frequently asked questions and direct specific queries to the appropriate parties).	Reconstruct your organization chart , in order to locate employees within your company to recruit to theirs.
5. Patent Applications Patent application requires the company to reveal the details of the very idea it wants to protect.	Using your diagrams and written specifications as a foundation to build a better mousetrap
6. Press Releases Disclosing strategic information about future plans, new service initiatives and product launches in order to promote themselves and add relevance to the site (the disclosure of information and financial data should be restricted to what has been reported elsewhere, e.g., the annual report, press releases, speeches, etc.).	Surface information on new corporate service
7. Proprietary Databases The company wants to provide as much data as possible to the database vendor without considering how others could build upon this information	Uncover strategically sensitive information
8. Trade Mark Applications Trademark application protects the firm from having somebody else claim ownership to the brand or slogan, but it also tips off competitor about intended actions	Block your launch by rushing a competing product or service to market before you.
9. User Forums and Chat Groups By providing users a forum to share ideas with one another, the company gains ideas for new applications and builds customer loyalty. Editing sensitive information could create a backlash. Instead, limit access to registered customers	Identify strengths and weaknesses of your product/service without incurring cost of running a focus group; start a rumour your company (e.g. M&A activity)

Table 2 - Website	Description
1. www.sedar.com	Press releases and financial statements of companies traded on Canadian stock exchanges
2. www.sec.gov	U.S. securities
3. www.icbinc.com	On-line order form to obtain hardcopies of annual reports
4. www.thestreet.com	Financials and commentaries on U.S. publicly traded cos
5. www.individual.com	Track American companies
6. www.companysleuth.com	Track American companies
7. www.strategis.ic.gc.ca\patents	Canadian patents and trademarks
8. www.dogpile.com	Searches across several search engines
9. www.savvysearch.com	Searches across several search engines
10. www.google.com	A top-rated search engine, developed at Stanford University

How Much Sensitive Information Can Your Competitor Uncover?

- You'd be surprised at how much information a wily competitor can get, especially one who is creative, persistent and goal oriented. Use the competitor's website as a bridge to securing more sensitive information, by following these 3 steps:
 1. Refer to some information (e.g. article, product claim, mission statement) in your competitor's website.
 2. Make sure that the reference is related to the area of your investigation.
 3. Then request further clarification via e-mail or a telephone inquiry
- Try your own company's website. Locate a newsworthy item mentioned in your company's website. Come up with 5 extremely sensitive questions related to this item. Get 5 friends to e-mail to your company (each at a different part of the day) asking these same 5 questions. You'll be amazed at what will trickle in, from whom and what else they will think and volunteer as *common knowledge*.

Tips

Information on your website will educate potential customers and investors about your company, but it can also be a magic bullet in the hands of a competitor. We suggest the following safeguards to minimize leakage:

1. Prior posting new or updated information on your web site, ask yourself if there is enough detail to enable a competitor to lodge an effective counter-attack; the same advice holds true for press releases and job postings
2. Weigh the risk of not having a patent relative to the risk of tipping-off competitors via patent application
3. Talk to your ISP (Internet Service Provider) or software vendor about monitoring who visits your web site -- an easy exercise if the competitor's company name is included in the e-mail addresses of its employees
4. Restrict "official" user forums to repeat customers, and monitor unofficial forums
5. Ask securities agencies and vendors of proprietary databases what information is mandatory in electronic format
6. Use the tracking tool in your web browser to monitor changes to specific changes in your competitor's web site
7. Have employees from the President down, sign an affidavit, that they will do their best to avoid leaking sensitive information
8. Provide employees with a list of answers to commonly asked questions, and instruct them to forward la other queries to Corporate Relations.
9. Mystery shop your own website by emailing inquiries to see if employees are in fact, following these instructions.

Conclusion

A competitor does not have to hack into your database to undermine your company's success. Posting too many details on the Internet is akin to a Medieval castle throwing open its gates when the enemy's horses are storming across the drawbridge. Protection of your castle is everyone's job -- from the president on down. Think before posting. Think before responding ●