

Inside 1to1 Privacy

Date: 07/11/2007

Issue: July 12 2007

People: Jay Cline

340 People, 3 Strategies, 1 Privacy Vision

The next time you're in a group of privacy and security leaders, pose this question: Which company has the most impact on global privacy? One of their candidates should be Microsoft Corporation, maker of ubiquitous software and home to the largest privacy team on earth. While the company takes its lumps for security issues with its products, Microsoft's three-pronged privacy strategy sets it apart as a unique and intriguing case study.

Microsoft's privacy approach flows naturally from its unparalleled business model. The Redmond, Washington-based company - which thinks of itself as the "largest start-up on earth" - employs 76,000 in 102 countries who work in three divisions: Platform Products & Services, Business, and Entertainment & Devices. Together, they deliver about 100 technology and entertainment products to more than 2 billion end-user customers in nearly every country in the world, generating \$44 billion per year.

"The Executive Team totally gets it," Chief Privacy Strategist Peter Cullen, CIPP, told *INSIDE 1to1: Privacy* about the centrality of privacy to the company's brand image. All told, 40 Microsoft employees work on privacy full time, while another 300 formally devote part of their time to the topic.

The first prong of Microsoft's privacy program is to build its 10 privacy principles - Accountability, Notice, Collection, Choice & Consent, Use & Retention, Disclosure & Onward Transfer, Quality, Access, Enhanced Security and Monitoring & Enforcement - into everyday work across the company.

One of Cullen's major challenges was getting 43,000 employees - those with privacy-sensitive roles - through Microsoft Privacy 101, a training module customized by business line, functional group and role. According to Cullen, Microsoft also invests heavily in its risk-management framework. In this process, the company's 40 senior executives are interviewed to elicit their top perceived privacy-related business risks. The top overall privacy risks are then converted into a strategy and plan of action.

"Tying our risk-management activities with those of the enterprise across a wide range of disciplines allows us to work together to achieve common goals, such as the adequate

protection of the personal data we hold," said Kim Hargraves, Director Strategy & Risk Management.

As for customer solutions, delivering better privacy to end-user customers - who could be any computer user in the world - has become a natural extension of Microsoft's internal privacy strategy. To this end, Microsoft aims to provide solutions to four privacy-related needs of computer users: freedom from intrusion, freedom from being watched, control of personal information and protection from harm.

One of Microsoft's major initiatives within this strategy has been to fight spam, phishing and viruses. According to the company's Web site, its antispam technologies block more than 3 billion spam emails each day.

Cullen adds that in 2006, the Malicious Software Removal tool built into Windows disinfected 2.8 billion machines multiple times each. In October, Microsoft released the Privacy Guidelines for Developing Software Products and Services, a set of requirements for any company to incorporate into its system-development life cycle. Microsoft took two years to consolidate international privacy regulations and best practices into this document.

The company's external outreach - the third prong of its privacy strategy - centers on helping law enforcement and government organizations enforce existing laws designed to protect the Internet. For example, Microsoft has aided more than 100 legal actions against spammers, including 86 U.S.-based lawsuits that resulted in \$184 million in judgments.

Another centerpiece of Microsoft's outreach efforts is its advocacy for harmonizing global privacy standards. Microsoft is one of 15 large multinationals collaborating toward uniform privacy legislation, and was one of the first American companies to advocate for a comprehensive U.S. privacy law.

Cullen couldn't own the title of Chief Privacy Strategist without the honed ability to map out privacy goals for the coming months and years.

Two things are dominating Cullen's agenda in the near future, he said.

"First, the changing view of what is personally identifiable information [PII]," he said. "If what EPIC (Electronic Privacy Information Center) says is true - that an IP address is PII after the Google/DoubleClick merger - then that changes every Internet application into a channel for notice and consent." (In a June 2007 complaint to the Federal Trade

Commission, EPIC argued that Google's accumulated phone numbers, addresses, and user search histories, when combined with DoubleClick's cache of IP addresses, would link computers with their owners' identities.)

"Second, the impact of organized crime on the online space," he said. "The proliferation of botnets, phishing and malware are threatening the trust we all place in the Internet."

Like Einstein, who became a peace advocate after his role in helping to bring nuclear power to the world, Redmond has accepted the mantle of guarding the Internet revolution it helped create.

Cline is President of Minnesota Privacy Consultants and can be contacted at cline@minnesotaprivacy.com.