

More US Companies Employ Senior Level Chief Privacy Officers

Report by Rob Veeder

FACED WITH INCREASING public awareness of privacy and security issues (fuelled in part by concerns about the Internet), many companies are appointing senior-level privacy advisors.

Although privacy advisors have existed in the past, especially at companies that were intensive users of personal information, they were seldom senior enough to directly affect operational decisions as peers of the decision makers.

A number of factors have led to the demand for senior privacy positions:

- Legislation and regulation in sectors such as financial services, health care, and on-line activities that operate under oversight by federal agencies
- Need to understand the effects of data sharing across international borders, especially in the light of rules such as the EU Data Protection Directive
- Increase in privacy-related consumer litigation
- Concerns that public fears about security of the Internet will undermine e-commerce and
- Need for a central corporate point of responsibility for privacy

At last November's conference in Washington D.C. sponsored by *Privacy & American Business*, Dr. Alan Westin announced the formation of an Association of Corporate Privacy Officers (CPOs) to provide

intellectual and other support for this emerging career. He estimated that by the end of 2001, CPO positions would grow from the current 50 to 75, to between 150 and 250.

Dr. Westin listed a number of activities for CPOs to carry out, including:

- establishing a privacy regime throughout the company
- conducting employee training
- reviewing corporate activities for privacy implications
- serving as a company spokesperson on privacy managing privacy dispute resolution and
- serving as a central privacy point of contact for both consumers and corporate employees

To be successful, CPOs will have to enlist and keep top management support while dealing with internal critics who see the position as unnecessary or an impediment to profits. They will also have to deal with external critics who will characterise the position as mere window-dressing or who view the function as the company's way of derailing needed legislation.

Dr. Westin, however, considers the increase in CPOs to be positive because

it provides both privacy leadership within companies and gives consumers a point of contact within the company to address their concerns.

To be successful, however, CPOs will have to learn to survive at corporate levels few privacy advocates have reached before. They will have to find ways to instil a privacy culture into their companies so as to directly influence the corporate decision-making process.

Privacy & American Business is holding Chief Privacy Officers' Workshops on July 25 – 26th and on November 27th 2001 in Washington DC, on the day before their 8th Annual National Conference.

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