

Chief Privacy Officer: Your Next Career?

CPOs are a necessity in today's business environment, but no one envies their challenging role of upholding ethics and protecting consumer information

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First it was the chief information officer (CIO), then the chief knowledge officer (CKO). Now, it is the chief privacy officer (CPO) — often called the “information officer” in the public sector.

No one seems to have heard of a CPO until Shelley Harms became CPO at Verizon Communications in 1994. Today, however, CPOs are increasingly common in sectors like finance, health care, credit, insurance, consulting, airlines, automotive, telecommunication, and, of course, dot-coms.

Growing sensitivity to privacy aspects of customer and employee information has given rise to the creation of a position to focus corporate attention on right and wrong approaches to the use of personal information. In fact, many firms are realizing that privacy is good business, and they are looking to the CPO to help create effective marketing strategies that do not infringe on customers' right to privacy.

A well-known incident illustrates the need for CPOs. DoubleClick Inc., a New

York advertising firm, received complaints about taking Web users' names and quietly matching them to a marketing profile database. Interest in this matter by the Federal Trade Commission (FTC) and the attorney general in several states led to the dot-com appointing a CPO, Jules Polonetsky.

Those holding CPO positions need significant familiarity with information, ethics, law, and technology. CPOs will need to know the difference between bits of data and significant information, between the “merely” unethical and the likely illegal. They must also create respect within many organizational units (e.g., marketing) where sensitivity to profits may have, in the past, outweighed any concerns about protecting customer information. Clearly, the CPO's power to stop or delay a bottom-line sensitive initiative will win them few friends. Given the pressures they must work under, CPOs will definitely earn their six-figure salaries.

The Role of the CPO

Typically, the CPO has several duties; perhaps the most important is monitoring

At the Core

This article:

- Examines the role of the CPO
- Discusses CPOs' duties within an organization

information systems to ensure the safety of the organization's information, as well as the privacy of the company's customers, employees, vendors, and suppliers.

CPO responsibilities may also include training staff on privacy issues, managing privacy disputes within and external to the company, making sure that policies and procedures are privacy-sensitive, and interacting with governmental agencies. A significant role, of course, is keeping board members aware of the business value of privacy.

While it may be the last thing most people in a company want, a new product or service may be put on hold by the CPO if its privacy flaws are likely to bring a deluge of bad publicity or litigation. In such cases, the CPO must accept

responsibility for offering a successful marketing method that also ensures shielding the customer's privacy — no mean feat given that customers demand a high level of personal service and, at the same time, significant restrictions on the use of personal data.

How can service be maximized but privacy risks eliminated? Problems must be identified before they become problems. How is that done? Ray Everett-Church, an early CPO appointee and co-author of *Internet Privacy for Dummies*, suggests, "Follow the data, follow the data." Following the data may, among other things, mean closely monitoring the use of electronic "cookies" placed on Internet users' computers by Web sites. (**Editor's Note:** Also see article by Cunningham, page 52).

Legal/Ethical Issues

There are as many as 80 privacy laws currently before the U.S. Congress. Similar legislation has already been enacted in some Commonwealth countries. New statutes are aimed at financial, medical, and children's issues. A key focus in this legislation is the anger of the public — and now legislators — about the misuse of their personal information by companies that sell or trade such information to other companies.

The CPO must understand that while some actions are not illegal they may be unethical. And what is unethical today may be illegal in the near future. The technologies develop so quickly that CPOs will have to anticipate privacy problems embedded in the use of emergent technology. As customers look for organizations with value-based practices, companies are realizing how important compliance with legal and ethical standards can be.

Whence CPOs?

To be able to influence those at the board level as well as all other levels in the enterprise, the CPO must have relevant education and experience. An ability to focus on policy and technology is seldom found in one individual. Successful CPOs may have an interesting mix of technology and humanities

in their backgrounds. A CPO might, for example, have degrees in information technology (IT) and business ethics or experience in pharmaceutical research and medical ethics.

An understanding of business processes is clearly vital. Records and information managers face a similar requirement for interdisciplinary knowledge, including IT, information law, ethics, and information management.

Many information professionals are well positioned to support the work of the CPO. The American Health Information Management Association (AHIMA) already has declared its support of the CPO in the arena of health-care and patient records. In fact, AHIMA points to the suitability of its own members to fulfill this role in the hospital environment because they are aware of state and federal laws that apply to health information, understand and direct the flow of patient information within the organizations that employ them, understand the nature of technologies that help manage sensitive information, advocate for the patient's privacy rights, and support patient privacy in their Professional Code of Ethics (www.ahima.org/info-center/positions).

The roles of the records and information managers and the emergent strategic information manager may become pivotal in the CPO's meeting the privacy standards of many organizations. While ARMA International has not yet addressed the CPO position per se, it has indicated strong support for privacy in its Code of Professional Responsibility:

[We] affirm that the collection, maintenance, distribution, and use of information about individuals is a privilege in trust: the right to privacy of all individuals must be both promoted and upheld.

The right to privacy is a value respected by free people everywhere. Information and records managers strive to protect the individual's privacy while, often at the same time, having to reconcile that right with the right of access to information by oth-

ers. The information and records manager must ensure that effective policies, systems, and technologies are in place to protect information about individuals from unauthorized disclosure. (www.arma.org/publications/ethics.cfm).

Clearly, customer information is a strategic information asset, and, given the fact that privacy is becoming an important business strategy, astute records and information management professionals will recognize the value of leveraging such assets while also upholding stakeholders' privacy rights.

Like the CIO and CKO, the CPO concept will have its ups and downs. There may also be senior executives who "don't get it." Because, according to the FTC, so many companies are not regulating themselves effectively, the CPO concept may have a long-term future. There will, however, likely be a high turnover rate brought on by individual CPOs taking unpopular positions. ■

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READ MORE ABOUT IT

There are many excellent books on privacy available. The best-known and widely praised include:

Garfinkel, Simson. *Database Nation: The Death of Privacy in the 21st Century*. Sebastopol, CA: O'Reilly and Associates, 2001.

Glee, Harrah Cady, et al. *Protect Your Digital Privacy! Survival Skills for the Information Age*. Indianapolis, IN: Que, 2001.

Rosen, Jeffrey. *The Unwanted Gaze: The Destruction of Privacy in America*. New York: Random House, 2000.

CPO Ray Everett-Church offers his own list of 18 recommended books under "Privacy Officer's Library" at www.Amazon.com.