

Bloomberg Businessweek

STOP PICKING ON THE NRA



How
Democrats
can fight
gun violence
without
shooting
themselves
in the foot

Cyber Risks

A Future of Costs vs. Potential

Annual spending on cyber disruptions is starting to outweigh the benefits. But that doesn't dim the growth potential of your business



Rising annual cyber costs shouldn't deter investment in innovation and growth, says cyber expert Jason Healey.

A new report from Zurich Insurance Group and the Atlantic Council indicates that we're reaching the tipping point when the annual costs of cyber disruptions begin to outweigh the benefits of doing business in a connected world. Jason Healey, Senior Fellow with the Cyber Statecraft Initiative at the Atlantic Council's Brent Scowcroft Center on International Security, unpacks what that surprising finding means for business.

Why did you undertake the report?

We were driven by the question: How do we know if we're starting to pay more in cyber security costs than we're getting in benefits from being connected? As far as we know, the question has never really been asked before.

And what's the biggest single finding of the report?

The startling finding is that on an annual basis, the developed world is spending more on cyber security in a given year than we are getting in annual benefits. It seems a bit counterintuitive, doesn't it?

Should we just unhook from the Internet?

No, because annual cyber security costs tend to be operating expenses or one-offs. For example, if you're a big company that just got hit by a hacker attack, you're going to have to spend a bunch of money to recover. But the benefits you get from being connected—streamlined work

processes, better connections to your customers, and the like—tend to compound over time in a way that costs don't. So, in the report's base case, cumulative global benefits outweigh the costs by nearly \$160 trillion through 2030.

But CEOs have to manage results quarter-to-quarter, year-to-year. How should individual companies interpret the report?

Let's talk about how they should not view it: They should not view it as a deterrent to investment in growth and innovation. If they do, they will miss out on the potential of cumulative benefits. And that is significant, as the difference between the worst-case scenario and best-case scenario in the report is more than \$100 trillion in global GDP through 2030.

What steps should businesses take to access that potential and minimize costs?

First, a lot of companies just don't have the cyber security they need even for today's threats—much less if it gets worse.

The report recommends basic controls that should be adopted. Second, controls aren't going to be enough against future threats. So we really think that investments that make a business more resilient to cyber events could go a long, long way. You're not going to be able to keep all the threats out, so you have to be prepared when you get hit—whether it's by hackers or a wide-scale Internet outage—to be able to bounce back quickly and limit the time of the outages.

Where does responsibility for understanding and managing these risks start?

We believe companies should govern from the board on down. To put it in the kind of finance terms that the board might be more familiar with: In the face of this long bet, basic cyber security and resilience are your hedge. You've got to think of this as a risky position that you're engaged in—a position that could have serious implications for your company. So you really have to invest in covering your long bet. ●

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Head of the Table

Minneapolis–Saint Paul’s agriculture industry leads the fight against food insecurity

Of the high-growth industries that are the engine of a reenergized Minneapolis–Saint Paul region—medical devices, clean technology—agriculture may not be the first that leaps to mind. However, with a rising hunger crisis around the globe, the Twin Cities are not only helping to pioneer new technologies that create healthful food for consumers at home and abroad; they’re also leading the way in sustainability innovation.

“People don’t always think about the Greater MSP area as a hub of innovation in food and agribusiness, but they should,” says Chris Policinski, President and CEO of Land O’Lakes Inc., which is headquartered in the region. “Minnesota is home to many organizations working to alleviate food insecurity, and Land O’Lakes is working every day to help farmers feed the world in increasingly sustainable, productive ways.”

According to the United Nations World Food Programme, roughly one in nine people—approximately 795 million—don’t have enough to eat to lead a healthy lifestyle, and the majority of them live in developing nations. In addition to producing the staples commonly found on supermarket shelves, Land O’Lakes also includes Winfield Solutions, which provides science-backed crop and seed growing products and services, including genetically modified seeds to help feed a rapidly growing global population.

“Our farmers and cooperatives adopted biotechnology very quickly, because the benefits of safe, proven technologies in agriculture are well-established,” Policinski explains. “As it does in so many industries, technology works for good in agriculture. Just as putting a mobile phone in the hands of a farmer in Africa can be life-changing, providing a seed that grows well in drought-stricken areas, or is enhanced with vitamin A to provide additional nutrients for children, can provide opportunity in so many ways.”

Closer to home, the region’s agriculture companies are proactive in supporting U.S. farmers, while adhering to the high standards set by consumers who increasingly demand “farm to fork” freshness and eco-friendly growing. “Helping farmers produce more food using fewer resources in an environmentally friendly manner lies at the heart of our founding,” says Policinski, who cites the company’s on-farm sustainability program that helps farmers monitor greenhouse gas emissions and water and energy usage.

“As consumers now have a keen interest in where their food comes from, decisions by retailers and distributors have the potential to reinvent supply chain systems throughout the world, affecting farmers, co-ops, manufacturers and more,” Policinski adds. “We occupy a unique space as experts across the agribusiness value chain, and we must be at the table helping drive change that is good for consumers, our farmers and our planet.”

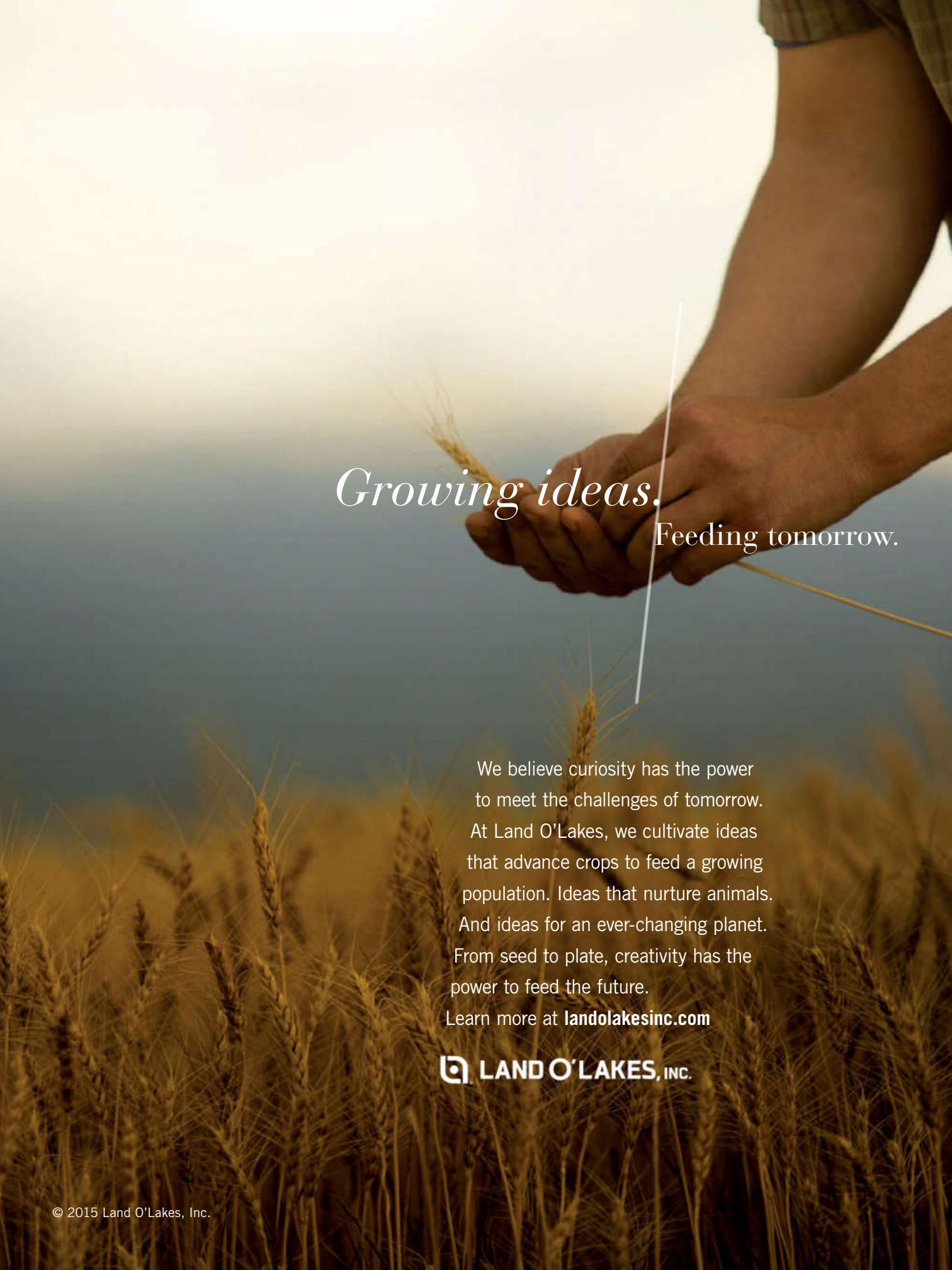
This change is also good for Minneapolis–Saint Paul, as the region capitalizes on its agricultural heritage while touting its advancements in science and technology. “Safe and abundant food, clean water and health solutions are critical issues facing the world over the next century,” says Michael Langley, CEO of GREATER MSP, the Minneapolis Saint Paul Regional Economic Development Partnership. “These issues have global impact and need to be solved.”

To Langley, the Greater MSP region is uniquely positioned to lead the way to find solutions. “Our region has the human capital, the intellectual expertise and the business ecosystem to provide these solutions in the global economy,” he continues. “These are areas where Greater MSP has global leadership, and because of that it will lead in creating solutions for these challenges.” — *Jill Sieracki*

“*Helping farmers produce more food using fewer resources in an environmentally friendly manner lies at the heart of our founding.*”

— *Chris Policinski*





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Domestic cover

1
"The cover is on gun regulation. The headline is 'Stop Picking on the NRA.'"

"WHAT?!?!? They're a massive, powerful, and wealthy organization that aggressively lobbies for the increased sales of handheld murder machines. Do we really need to be defending them? I'll do my job, I'll design this grotesque cover, but I don't have to like it. Not one bit!!!"

"Have you read the story?"

"No."

"The idea is that, when Democrats bash it, the NRA uses that to become more powerful."

"Ooooooh, I see what you're doing."



International cover

1
"The story's on how American Express is struggling to maintain its brand cachet, largely because of the loss of an important corporate partner."

"What corporate partner?"

"Costco."

"That centurion always looked like he thought he was better than the rest of us."

