

CLOUD, SCHMOUD:





HEY, YOU, IT'S NOT ABOUT **CLOUD OR NO CLOUD**

There's a whole lot of talk today about the security of data in the cloud. In short, everyone's wondering, "Is the cloud safe?"

Guess what. That's not what you should be asking.

YOU SHOULD BE ASKING:

- 1.** How can I be sure that our employees' medical and personal information is protected?
- 2.** How can I explain to my CIO and the rest of the executive team that everyone's data is safe?



IT'S ALREADY **HIT CLOSE TO HOME**



“Anthem said Wednesday that its database has been hacked, potentially exposing personal information about 80 million of its customers and employees.

The health insurer said the breach exposed ‘names, birthdays, social security numbers, street addresses, email addresses, and employment information, including income data,’ but added that no financial information, including credit card details, was compromised.”

—Li Anne Wong, CNBC, Feb. 4, 2015



WHICH HIGHLIGHTS HR'S BIGGEST DATA-SECURITY FEAR

“Missed Alarms and 40 Million Stolen Credit Card Numbers: How Target Blew It”

– *Businessweek*, March 2013

“Home Depot Hackers Exposed 53 Million Email Addresses”

– *The Wall Street Journal*, November 2014

“Hacker Breached HealthCare.gov Insurance Site”

– *The Wall Street Journal*, September 2014





THE CLOUD, MEANWHILE, RAISES ITS OWN CONCERNS

The Fear of Fly-by-night Operators:
So Many Startups, So Little Experience

\$39.3 BILLION
CLOUD SOFTWARE MARKET
REVENUE IN 2013

(22.6% year-over-year growth rate)



OVER **\$100 BILLION**
PROJECTED CLOUD MARKET
REVENUE BY 2018

(21.3% compound annual growth rate)



– ITD, “Worldwide SaaS and Cloud Software 2014–2018 Forecast and 2013 Vendor Shares”



FIVE CLEAR AND PRESENT DANGERS THAT HR FEELS ABOUT ITS DATA — CLOUD OR NO CLOUD

1. Everyone's going to get their hands on our **company data** — finance, operations, business strategy.
2. Everyone's going to get their hands on **personal employee data** — health data, identification data, family data.
3. A system in the cloud will **never integrate** with our other systems and we'll never launch our benefits enrollment platform.
4. Everyone's in **one big cloud**, so **how's my stuff safe** from the prying eyes of competitors or hackers?
5. Where is someone **when something goes wrong?** With our own server, I know who to call and where the equipment is.



BUT WHAT'S THE **REAL RISK** TO COMPANIES AND THEIR EMPLOYEES WHEN IT COMES TO DATA?

The answers are the same whether you're talking about a cloud-based solution or a legacy on-site system.



BE NOT AFRAID, HR

Everyone's afraid of the unknown. It's human nature.

AND LET'S FACE IT:

Most folks have no idea what "the cloud" really is.

So it's normal to think the cloud is less safe than a legacy on-site server system and also to believe cloud solutions are different when it comes to being able to protect your employees' data.



“ The oldest and strongest emotion of mankind is fear, and the oldest and strongest kind of fear is fear of the unknown. ”

— H.P. Lovecraft, author



AND JUST LIKE OVERCOMING NEARLY ANY FEAR,
A LITTLE BIT OF KNOWLEDGE GOES A LONG WAY.

“ Perplexity is the beginning of knowledge. ”

— Kahlil Gibran



YOU CAN **OVERCOME THE FEAR OF DATA RISK** IF YOU HAVE A WORKING KNOWLEDGE OF:

1. What the cloud actually is
2. Alternatives to the cloud
(yes, they exist)

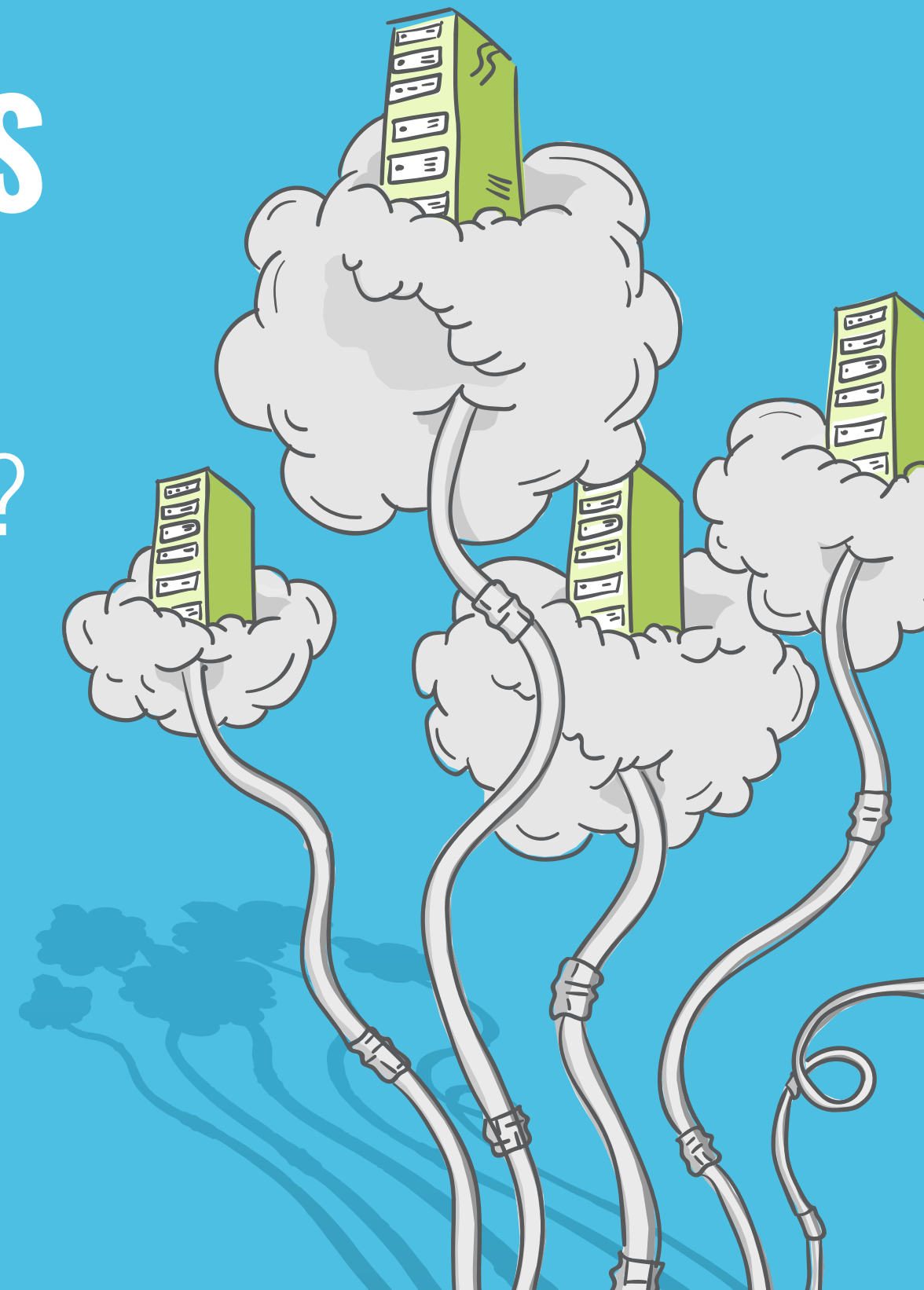
3. How data is protected —
in the cloud or not
 - ▶ The **product side** of benefits technology
 - ▶ The **process side** of benefits technology
 - ▶ The **people side** of benefits services



WHAT THE CLOUD ACTUALLY IS

Is all of that data really just floating around in space? Is that even possible?

The truth is, cloud technology only gives you a different way of **getting to your data** or **accessing applications and programs**.





1.

IN THE BEGINNING ...

Originally, the cloud referred to a **physical server that stored an individual's or business' software applications or programs.** It didn't matter where the server was located.

Technically, this service was an application service provider (ASP), and a server hosted the applications for only one client.



2.

THEN, THE PUBLIC CLOUD ...

Today, “the cloud” usually refers to a **shared environment, a collection of virtual servers** that provides access to software applications and programs for many users over the Internet.



But the servers are still sitting here on Earth – in some building somewhere.



3.

WHAT GOES AROUND: THE PRIVATE CLOUD

The “private cloud” is a proprietary network or data center that **supplies hosted services to a limited number of people (typically within one company or organization).**

Each client gets a **dedicated “instance” of the cloud’s hardware, data storage, and network.** And again, the servers are right there in a company’s building.



ALTERNATIVES TO THE CLOUD (YES, THEY EXIST)

It's a big world out there, and despite the growth of cloud-based technology and solutions, alternatives exist — and for good reason.

Locally Hosted ERP Programs — A locally hosted ERP (enterprise resource planning) system is an Internet-based model in which you buy the software solution from a publisher or vendor and have the software installed at a data center or “hosting center.” The center can have physical or “virtualized” servers (essentially, remote servers, right here on Earth) that your company owns, leases, or finances. You access the solution much like you would if it were on your own premises.



ENSURING DATA SECURITY AND SAFETY: **THE PRODUCT SIDE OF BENEFITS TECHNOLOGY**



The way any benefits enrollment product is built should include safeguards and systems that ensure the security and safety of data.



Practices range from **full code review** (a line-by-line examination of the product's entire code by quality assurance analysts or other reviewers) to **regression testing** (testing for new bugs after changes to the product have been made).

AT BUSINESSOLVER, PRODUCT DEVELOPMENT BUILDS IN:

- ▶ Full code review*
- ▶ Annual network penetration testing*
- ▶ Quarterly application vulnerability scans*
- ▶ Intrusion-prevention systems*
- ▶ Regression testing*
- ▶ Continuous evaluation of vulnerabilities and immediate fixes and updates

* Click here to go to the Technical Glossary at the end of this e-book for a definition.



ENSURING DATA SECURITY AND SAFETY: THE PROCESS SIDE OF BENEFITS TECHNOLOGY



A deep understanding of — and practices to assess — the processes within benefits enrollment technology can further ensure data security and safety. Auditing to ensure the system's compliance with **SSAE 16 standards is one example.**



AT **BUSINESSOLVER**, PROCESSES THAT ENSURE DATA SECURITY AND SAFETY INCLUDE:

- ▶ SSAE 16 audit*
- ▶ Internal controls
- ▶ IT risk assessment audit*
- ▶ Annual third-party financial audit

* Click here to go to the Technical Glossary at the end of this e-book for a definition.



ENSURING DATA SECURITY AND SAFETY: THE BENEFITS SIDE OF BENEFITS TECHNOLOGY

Beyond the stuff that IT geeks and developers are concerned about, HR needs to know its cloud-based technology will protect the personal and financial information of employees and their family members.



AT BUSINESSOLVER, BENEFITS PROCESSES THAT ENSURE DATA SECURITY AND SAFETY INCLUDE:

- ▶ Annual background checks
- ▶ Annual HIPAA and PHI data training*
- ▶ Internal audits
- ▶ Risk management training

* [Click here to go to the Technical Glossary at the end of this e-book for a definition.](#)



BUT HOW DO YOU EVALUATE A VENDOR AND **PRESENT YOUR CASE FOR DATA SECURITY** TO THE C-SUITE?

Let's face it, IT-speak does not come naturally to most HR leaders.
It's not necessarily what you're trained in.

WHAT THE HECK DOES “ENCRYPTED AT REST” MEAN, ANYWAY?



HR leaders are increasingly being asked to dive into the murky waters of cloud technology and data security, and to be able to discuss what they find with their IT people and the C-suite.

Due diligence in selecting an HR technology provider starts as it does for any other major technology investment: by writing a request for proposal (RFP) that will get you the information you need.

- ▶ You are after meaningful information that will help you responsibly evaluate vendors.
- ▶ Vendors want to showcase their strengths.
- ▶ You both want to learn whether you're a good fit for each other.





You need to **make sure the technology has the necessary checks and balances** to ensure that your data is protected.

Our e-book [**“The Top 7 Ill-advised RFP Questions”**](#) presents some of the most common foolish RFP questions for evaluating benefits technology and services. Better, it offers suggestions for asking better questions to get better information.





TO GET THE MOST FROM YOUR BENEFITS ENROLLMENT SYSTEM, **WORK WITH A PARTNER,** NOT JUST A TECHNOLOGY VENDOR

SaaS benefits technology isn't just here to stay — it's only going to grow. **The numbers show that SaaS-based companies like Businessolver are continuing to take market share away from incumbent vendors** — providers of enterprise resource programs, payroll processing, and HCM “suite” solutions.



The U.S. Census Bureau estimates that the total addressable market (TAM) for benefits technology among large employers (those with more than 1,000 employees) is between \$2 billion and \$3 billion in annual spending.

With less than 10 percent market penetration so far by the leading SaaS providers, HR and benefit leaders are going to see more and more SaaS vendors knocking on their doors.





But jumping on the SaaS bandwagon doesn't matter if you don't feel **completely secure knowing the data of your employees and your business is safe and protected in the cloud.**

That's why HR needs a benefits technology partner it can trust to take care of them and their employees — and all of their data. Period.

- ▶ An innovative partner with market-changing technology
- ▶ A partner with intrinsic and unwavering responsiveness to HR's needs today and down the road
- ▶ A stable partner with a configurable and secure SaaS platform that HR leaders and their IT and CIO business partners take to the bank
- ▶ An HR partner whose culture is one of service with a higher goal: total and measurable success and complete delight — for HR, for the employees, and, yes, for the solution vendor





That's Businessolver. We're able to maximize the investment you've made in your benefits program, minimize your exposure to risk, engage your employees, and empower them to use their benefits wisely and control their costs and yours.



GLOSSARY OF TECHNICAL TERMS

Full code review

Code review is a systematic examination (often known as peer review) of computer source code. It is intended to find and fix mistakes overlooked in the initial development phase, improving both the overall quality of software and the developer's skills. Reviews are done in various forms, such as pair programming, informal walkthroughs, and formal inspections.

[Source: Wikipedia]

Annual network penetration testing

Penetration testing, or pentest, is an intentional attack on a computer system with the intention of finding security weaknesses and potentially gaining access to it, its functionality, and data. [Source: Wikipedia]

Quarterly application vulnerability scans

Vulnerability scanning is a security technique used to identify security weaknesses in a computer system. Vulnerability scanning can be used by individuals or network administrators for security purposes, or it can be used by hackers attempting to gain unauthorized access to computer systems.

[Source: Techopedia]

Intrusion prevention systems

An intrusion prevention system (IPS) is used in computer security. It provides policies and rules for network traffic along with an intrusion-detection system for alerting system or network administrators to suspicious traffic. But it also allows the administrator to provide the action upon being alerted. Some compare an IPS to a combination of IDS and an application-layer firewall for protection. [Source: Webopedia]



GLOSSARY OF TECHNICAL TERMS

Regression testing

Regression testing is retesting the unchanged parts of an application. Test cases are re-executed to check whether previous functionality of the application is working and that new changes have not introduced any bugs. This test can be performed on a new build, when there is significant change in original functionality, or to fix a single bug.

[Source: [Software Testing Help](#)]

SSAE 16 audit

SSAE (Statement on Standards for Attestation Engagements) No. 16 is an audit of the internal controls that a service organization — an entity that performs a specialized task or function for other entities — has on the data in its system. [Source: [American Institute of CPAs](#)]

IT risk assessment audit

Risk assessment is a systematic process for identifying and evaluating events (i.e., possible risks and opportunities) that could affect the achievement of objectives, positively or negatively. Such events can be identified in the external environment (e.g., economic trends, regulatory landscape, and competition) and within an organization's internal environment (e.g., people, process, and infrastructure). [Source: [PwC](#)]

Annual HIPAA and PHI data training

HIPAA (Health Insurance Portability and Accountability Act) privacy and security rules identify what determines protected health information (PHI). Data training ensures that system administrators and solution designers recognize situations in which confidential and protected health information can be mishandled, practical ways to protect the privacy and security of sensitive information, and how employees will be held responsible if they improperly handle confidential or protected health information.

[Source: [University of North Carolina at Chapel Hill](#)]

In a rapidly changing and often uncertain market, you need a benefits technology partner you can trust. Founded by HR professionals who know what's really important to you, Businessolver delivers market-changing technology supported by an intrinsic and unwavering responsiveness to your needs today and down the road. You can trust us to take care of you and your employees with a configurable and secure SaaS platform and a culture of service, all aimed at total and measurable success and your complete delight. We'll help you maximize the investment in your benefits program, minimize your exposure to risk, engage your employees with our easy-to-use solution and full suite of communication vehicles, and empower them to use their benefits wisely and control their costs and yours.

Businessolver is headquartered in
Des Moines, Iowa. We're on the web at
businessolver.com.

