

## Class Five: Privacy and Risk Management

In our fifth class we are going to continue our discussion of privacy and also discuss risk management. Privacy (continued from the fourth class)

1. Read the case study entitled Facebook's Privacy Breach: Challenges of Managing an Information-Based Supply Chain Risk (HBP Coursepack - <https://hbsp.harvard.edu/import/1059357>).

Be prepared to discuss the following questions:

- a. How does Facebook make money?
- b. Do individuals welcome information collection practices of organization?
- c. What are the advantages and disadvantages of these practices from the perspective of individuals whose data is collected and used?
- d. How do Facebook's operations differ from a traditional service operation?
- e. What are the implications of Facebook's non-traditional supply network when it comes to managing the operational risks associated with users' privacy?
- f. Using the Fair Information Practice framework, how well did Facebook manage risks associated with users' privacy?
- g. What should Facebook do to achieve the right balance between privacy profits?

## Risk Management

Read the following on risk management and governance. Although most of the reading focus' on privacy and security, it is applicable to risk management and governance generally and should not be read narrowly. The same is true of the reading on financial institution model risk management: it is applicable to all model/algorithmic risk management.

1. Read An Introduction to Privacy For Technology Professionals, Editor, Travis D. Breaux, Chapter 8 - Privacy Governance.
2. Read Cybersecurity Fundamentals, Study Guide, 3rd Edition, ISACA, Section 1.6- 1.8 and 2.9-2.12.
3. Read SR-17, Guidance on Model Risk Management, Board of Governors of the Federal Reserve System (file attached).
4. Be prepared to discuss the Perfect Grocery case study from the perspective of risk management and governance.