

QBE European Operations

Planning for the Future



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Cyber risk

Mobile and flexible working calls for **tighter network security**

In 2016, data is on the move. Mobile technology is revolutionising work, freeing employees from their desks and office buildings. Now employees can access a company network from practically anywhere on the planet, and there are significant business benefits in allowing them to do so.

The ability to structure the working day more flexibly makes for a happier and more efficient workforce. There is greater opportunity for outsourcing to workers anywhere in the world. Mobile devices enable employees to stay connected constantly, improving productivity. And within office buildings, flexible design saves cost and frees employees from a fixed desk location.

However, alongside all the benefits are certain unpleasant new risks. A mobile work-force potentially means that all of a company's valuable and confidential information is on the move constantly, creating a new range of targets which hackers can use to attack your business.

One common scheme used by confidence tricksters to gain entry into a secure building is tailgating, where a genuine employee holds open a main door and is followed in. The con can then sit anywhere, and no one is any the wiser. They insert a USB stick into an unattended computer, and when its owner switches it on, security is by-passed and confidential company information can be stolen. Additionally, every single mobile device which can access a company network, whether a smartphone, laptop, or tablet, is a potential entry point for criminals to target.

The risks are high, but so too are the business benefits. Mitigating the risks of a flexible workforce is therefore a crucial consideration for companies as they transition to a more mobile workforce.

Four vital steps to protect against data theft

- 1 Ensure that all remote company devices are logged, have vigorous password controls, include encryption if they have any access to sensitive data, and can be remotely wiped if lost.
- 2 Ensure all remote access to your network requires two factors of authentication or tokenisation, and that employee access is restricted to those parts of the network which they need.
- 3 In the case of third party companies that have permission to access company net-works, be clear which individuals have access, and keep this to a minimum; this may include photocopier engineers, IT support staff, air conditioning mechanics, out-sourcers, and secondees.
- 4 Ensure that the company has software which monitors access to the network by suspicious devices or methods.

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“ A **mobile work-force** potentially means that all of a company’s **valuable and confidential information** is on the move constantly, creating a new range of targets which hackers can use to **attack your business.** ”

Solicitors' secondments bring benefits, but beware the risks

Seconding an employee to work temporarily for another organisation can bring many benefits to a firm. It can broaden the skills and experience of existing company staff, provide valuable insights about a client's business, and is a useful way to cover short-term projects or absence. However, recent claims relating to secondments have highlighted the substantial risks that can arise when staff are seconded.

What is a secondment?

A secondment is any situation in which an employee is temporarily assigned to work for another organisation. It may be a full-time arrangement, or just for a day or two a week. It typically happens if the seconded individual is carrying out a significant amount of work, often on a regular basis, for a client. It could also be a rolling programme where employees, often junior members of staff, work in-house with a client to supplement its team.

5 questions to answer before a secondment

1. Is the secondee the right person to meet the client's needs, or just the person available?
2. What level of responsibility will the secondee have?
3. How will their work be supervised?
4. To what extent will the host firm rely on advice given by the secondee?
5. What level of support will the secondee receive, and from whom?



One such cautionary tale is the case of a law firm which seconded a partner to work for one day a week within the in-house legal team of a national company client. The seconded partner completed a piece of work which related to the approval of a contract, and the contract was then used by the client in its dealings with a large number of customers. However, the contract turned out to be unenforceable, and the client is now pursuing a claim against the law firm to recover millions of pounds of lost income.

While such a large case is unusual, it underlines the risks that firms should be aware of when they enter into a secondment arrangement.

Assess the risk of secondments

Always conduct a full risk assessment, including whether the correct insurance is in place to meet any potential claims, before seconding staff. This is not only good practice but, in the case of solicitors' firms, a professional obligation. Consider the type of work that the host business does, and precisely what tasks the secondee may be asked to carry out. Scope out any potential conflicts which may arise, how likely they are, and the possible cost of such a dispute. Assess the impact which a disagreement could have on the relationship with the client. Always contact a broker or insurer if the secondment is outside the scope of work normally carried out by the staff member who will be seconded, or if the work is particularly risky.

Best practice in secondment agreements



A formal secondment agreement is essential. Although many firms arrange secondments on an informal basis, relying upon goodwill and the relationship with the client, a properly agreed and documented secondment agreement will protect your interests if something goes wrong.

The agreement should contain information including the duration of the secondment; the services to be provided; arrangements for payment; and how, and in what circumstances, the arrangement can be terminated.

Agreements should address who will be the secondee's employer during the secondment; this will almost always be the seconder, but employment law issues can arise where it's not clear, or where the host could be regarded as the employer. Agreements should set out each party's expectations of the arrangement and its purpose. Is the secondment supposed to provide the secondee with experience of the client's business, or will the seconded staffer be making decisions and providing advice to the host company?

Any agreement also needs to deal with liability for acts or omissions of the secondee, the level of insurance which the solicitor's firm has in place, and any limitations the seconder wishes to place on their liability. This will be primarily a matter for negotiation between the parties.



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Secondment terms checklist



- Purpose, scope and any targets
- Level and limits of authority
- Extent of reliance
- Technical supervision by the client / host firm
- Commercial monitoring by the employer / seconder
- Professional indemnity cover and limits of liability

Best practice in supervision of secondments

Careful consideration should be given to the level of supervision the secondee will require, and how this will be given. This will depend on the purpose of the secondment, the seniority of the employee being seconded, their level of experience in the type of work being conducted, and whether the secondment is full or part-time.

It's important to maintain regular contact between the secondee and the seconder, especially where the secondee is simply providing services such as legal advice to the host in a way that could just as easily be provided through the normal solicitor and client relationship.

There should be a named contact at the seconder who can keep the arrangement under review and provide the necessary support to the secondee, ensure the host is adhering to the terms of the agreement, and that the overall objectives are being achieved.

Whatever the arrangement, the balance between day-to-day technical supervision and monitoring of the agreement needs to be addressed and defined in writing to clarify how responsibilities will be shared.

It's also important to ensure that best practice protocols are extended to the arrangement, for example structured handover of matters being picked up at outset and handed back on completion of the secondment. This could be a risk factor in many secondments, especially where the secondee is helping to cover capacity shortfalls due to absence.

While there is always a risk that a seconded employee may make a mistake or give incorrect advice which leads to a claim against the seconding solicitor, ensuring the arrangement has been thoroughly risk assessed and the terms and supervision responsibilities agreed and documented, will help to reduce this risk.

Secondment supervision checklist



Will the secondee be under the control of the client organisation, which might increase the risk of them being deemed to be an employee of the client, or will there be regular contact with the seconder?

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Succession planning can shape a firm's future

Effective succession planning is important in the day-to-day smooth running of any business. And, if done well, it can help to shape the future direction of the firm.

To identify which roles need planning for, business leaders and human resources professionals often work together. The roles which are chosen are usually senior, having significant decision-making power, a strong presence in the marketplace, or notable market knowledge. Business critical functions such as corporate

governance, and compliance, may also require succession planning.

Particularly for the senior roles, the external pool of suitable candidates is often small, and therefore nurturing a pipeline of future talent from within the business is vital. However, given the rate of technology-driven change within the contemporary business environment, it's important to avoid the trap of simply replicating existing skill sets. The best succession planning will address how the business can work more flexibly, and be more agile, in the future.

This means that when identifying critical roles, those involved should consider the needs of the business in the short, medium and long-term. This may result in planning for a short-term emergency successor, and nurturing a

pool of potential successors who may be brought up to speed within three to six months. The process of succession planning is therefore often linked to identifying talent within the business, and to staff development activity.

It's important to balance internal promotions with the new energy and talent which new hires can bring. External appointments enable the business to accrue new skills and experience, and support the development of a more diverse workforce, whether by ethnicity, sexuality, gender, disability, or age.

“ The risk is that without senior support, succession planning could come to resemble more of an auditing exercise ”

Millennials, for example, typically exhibit different working styles compared to older colleagues, as well as looking for fulfilment at work in different ways. Having grown up in a context where information of all kinds was at their fingertips, they may seek continual feedback, and want to understand the progress of projects when results are not immediately apparent.

Meanwhile internal promotions create stability within the business and, particularly in the case of critical roles, bring welcome continuity to the function.

To make succession planning work, the human resources team will often seek a mandate right from the top of the business. Senior leaders should always be aware of the succession strategies which are active within their firm. This then helps in implementing development plans so that the succession programme has real clout. The risk is that without senior support, succession planning could come to resemble more of an auditing exercise, than an active business management scheme.

With senior leaders on board, succession planning is far more dynamic in identifying talent, and thinking creatively about how the business can be best resourced for the future. An important question when sourcing talent within and outside the business is what skills will be needed not so much for today, but in five, 10 or 20 years' time.

When succession planning goes wrong, vital roles may be left vacant and time lost by the business in fulfilling its strategic goals. Alternatively, senior staff may be asked to oversee additional functions temporarily, meaning that they become overstretched. This risks employees exiting the business, and potentially setting in train a domino effect.

When succession planning goes right, however, the day-to-day running of the business and progress towards strategic aims are assured. Transitions are smooth, and the business benefits from the feelings of stability associated with the promotion of people who are familiar with company culture and

systems, rather than the ripples of nervousness which may be caused by the arrival of a new personality in the team. Further, a succession plan which incorporates a vision of the firm's potential future can support the strategic development of the business and underpin future growth.

Effective succession planning is also typically accompanied by higher levels of employee engagement and staff retention, because staff respond positively if they see others within the business being promoted.

The best succession plans, therefore, are not a case of filling the shoes of a respected colleague, but rather interpreting his or her role for the future, and seeking out those with the talent and vision to take the business forward.

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