



HYDER & ASSOCIATES MANAGEMENT REPORT

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Wisdom of The Ages

If you gathered 100 experienced managers together and asked for their advice, they probably wouldn't say much about "competing values models" or "temporal rhythms". Instead, this is a good idea of what you would hear.

DON'T BE AFRAID OF THE PHRASE, "I DON'T KNOW." If you don't know the answer, don't try to bluff. If you're at fault, take the blame. If you're wrong, apologize. A wise person once said, "If you always tell the truth, you never have to remember anything."

NEVER GOSSIP. And if someone wants to gossip with you, politely say you're not interested. This corporate adage rings true: When someone gossips, two careers are hurt – the person being talked about, and the person doing the talking.

NO TASK IS BENEATH YOU. Don't think you are above anything. Be the good example and pitch in – especially if the job is one that nobody wants to do.

SHARE THE CREDIT WHENEVER POSSIBLE. Managers who spread credit around look much stronger than those who take all of the credit themselves.

ASK FOR HELP. If you think you're in over your head, you are. Before it gets out of hand, ask someone for help – most people enjoy giving a hand. Besides saving yourself from embarrassment, you'll make a friend and an ally.

KEEP YOUR SALARY TO YOURSELF. Discussing salary is a no-win proposition. Either you'll be upset because someone is making more than you, or someone will be upset with you.

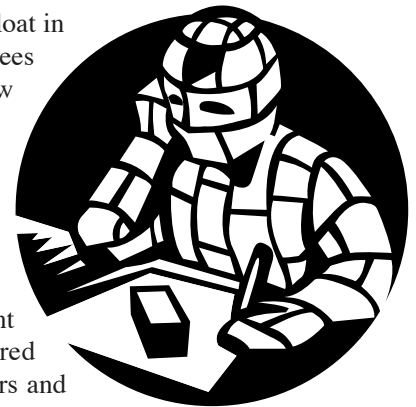
WHEN YOU DON'T LIKE SOMEONE, DON'T LET IT SHOW. Never burn bridges or offend others as you move ahead – especially if you outrank them.

LET IT GO. What shouldn't happen often does. You weren't given the project you wanted, you were passed over for the promotion you deserved. Be gracious and diplomatic...and move on. Harboring a grudge won't advance your career.

WHEN YOU'RE RIGHT DON'T GLOAT. The only time you should ever use the phrase "I told you so" is if someone says to you: "You were right. I really could succeed at that project."

Creativity During Tough Times

As companies try to stay afloat in a choppy economy, employees are being pushed for new ideas. However, managers would be wise to consider the studies conducted by Teresa Amabile, professor at Harvard Business School and head of its Entrepreneurial Management Unit. She has explored creativity for nearly 30 years and her comprehensive research has uncovered some myth-defying facts.



1. Money and rewards don't inspire creativity.
2. Tight deadlines and pressure to produce don't foster innovation.
3. Competition doesn't induce creativity.
4. Neither sadness nor fear fuel creative break-through thoughts.

In order for creativity to blossom, workers need to feel deeply engaged in their projects, skilled enough to accomplish them, and free of negative influences – unnecessary distractions, politics, resource road-blocks, and unwarranted critical feedback.

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COMPLIANCE CORNER

TOP 5 E-DISCOVERY CASES

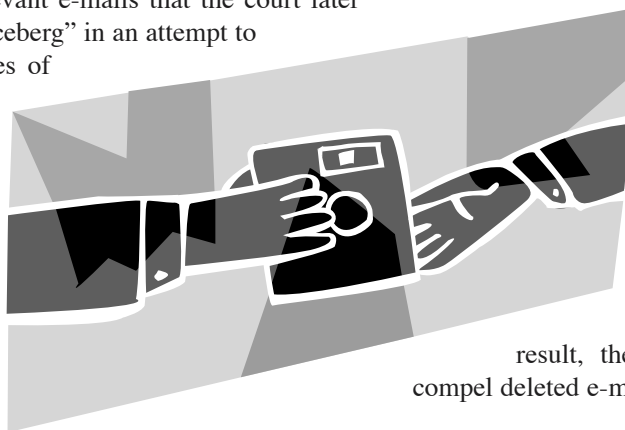
According to Kroll Ontrack, the most significant judicial discovery cases in the last 18 months included:

Columbia Pictures Industries v. Justin Bunnell. Columbia Pictures sought preservation and production of user Internet provider addresses and the dates and times of user requests. Bunnell argued that this data was temporarily stored in random access memory and did not constitute electronically stored information (ESI). The court ruled that RAM data constitutes ESI and, therefore, is discoverable.

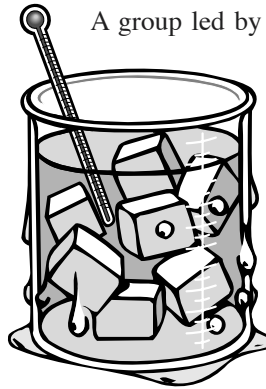
Lorraine v. Market Am, Ins. Co. In this case, the plaintiffs sued to enforce an arbitrator's award. The judge dismissed both parties' dispositive motions without prejudice to allow resubmission with evidentiary support. Most significantly, the court held there is a five-point test in determining the admissibility of electronic evidence. ESI must be (1) relevant, (2) authentic, (3) not hearsay or admissible hearsay, (4) the "best evidence", and (5) not unduly prejudicial. The court stated, "it can be expected that electronic evidence will constitute much, if not most, of the evidence used in future motions practice or at trial, (and) counsel should know how to get it right on the first try."

Peskoff v. Faber. In a suit alleging fraud, breach of fiduciary duty, breach of contract, and conversion inter alia, the plaintiff argued that a previous electronic document production contained unexplained time gaps, suggesting problems with the original production. As a result, the plaintiff moved to compel discovery of additional e-mail. The court found in the plaintiff's favor, holding that accessible data must be produced at the cost of the producing party, unless the producing party can prove the documents are inaccessible.

Qualcomm Inc. v. Broadcom Corp. During this patent infringement trial, cross-examination of the plaintiff's witness revealed the existence of relevant e-mails that the court later held were the "the tip of the iceberg" in an attempt to hide more than 200,000 pages of relevant e-mails. The judge characterized the discovery abuses as "an organized program of litigation misconduct" and ordered the plaintiff's attorneys to demonstrate why they should not be sanctioned, without use of documents protected by the attorney-client privilege.



CHILLING ENCRYPTED DATA



A group led by Princeton University computer security researchers has found a startlingly simple way to breach encrypted data – by chilling the computer memory chip that holds it.

The technique only requires chilling the chip with a blast of cold air from a can of dust remover sold for a few dollars at major retailers. This action, described by the group on the website of Princeton's Center for Information

Technology Policy takes advantage of a vulnerability of the dynamic random access chip, which temporarily holds data, including the keys to modern data-scrambling algorithms. When the computer's electrical power is turned off, the data and the keys are supposed to disappear. However, the group's technical paper published online explains, standard memory chips actually retain their data for seconds, even minutes, after the power is turned off.

When the chips were chilled using a can of air, the data was frozen in place, enabling researchers to read the keys from the chip's memory. "Cool the chips in liquid nitrogen (-196 °C) and they hold their state for hours at least, without any power" according to Edward W. Felton, a Princeton computer scientist.

The researchers used special pattern-recognition software of their own to identify security keys among the millions or even billions of pieces of data on the memory chip. The discovery could have serious implications for companies and governments that rely on encryption to protect their critical data stored on computers, particularly in portable laptops that are especially susceptible to loss or theft.

Mr. Felton told the *New York Times* that "this is pretty serious to the extent people are relying on file protection."

SOURCE: New York Times, May 2008

Oxford House Inc. v. City of Topeka. The plaintiff brought suit alleging that the defendant improperly denied several conditional housing permits. In responding to the plaintiff's motion to compel, the court determined there was no obligation to preserve overwritten e-mails before the likelihood of litigation. Moreover, the court used a cost-benefit balancing test to find that the production of the requested ESI would be unduly burdensome given the cost and likelihood of retrieval. As a result, the court denied the plaintiff's motion to compel deleted e-mail stored on backup tapes.

CORPORATE SPYING COSTS \$45 BILLION

Corporate espionage costs the world's 1,000 largest companies more than \$45 billion each year, according to PricewaterhouseCoopers.

The consulting firm also reported that corporate spying is increasing rapidly for both large and small firms, with losses doubling between 1990 and 2000.



Experts recommend the following actions companies should take regularly to help mitigate the risk.

- **AUDIT, IDENTIFY, AND SEPARATE DATA.** Audit corporate data and identify what information is sensitive and vulnerable to attack. Separate the sensitive data into dedicated areas of the network, or even put it in its own network.
- **CONSIDER DATA-LOG PROTECTION SYSTEMS.** A good intrusion-detection system and firewall are not enough because they are reactive. New software tools can tag confidential data with a virtual watermark that prevents it from being copied to a mobile device or distributed via e-mail.
- **CHECK LOGS ROUTINELY.** Routinely searching intrusion detection system log files and access logs for attacks or unusual activity beats reacting to an intrusion.
- **AUDIT APPLICATIONS.** Tools are available that enable firms to monitor who uses software, which screens any data fields they view, and what they do with it.
- **ANALYZE NETWORK TRAFFIC.** Monitor who is downloading data and when. If an employee is accessing files outside of office hours, there could be a problem.

FAMOUS QUOTE

*Daring ideas are like
chessmen moved forward;
they may be beaten,
but they may start a winning game.*

— Goethe

SHARON HYDER, CMC, CRM ANSWERS YOUR MANAGEMENT QUESTIONS



I find my mind wandering when I'm speaking to my colleagues. Do you have any suggestions for improvement?

We've all drifted off into our own thoughts when we're supposed to be paying attention to what someone else is saying. It may be because the subject matter is boring, or the person is speaking in a monotone; maybe we're distracted by some personal matter that worries us. Whatever it is, these tips can help improve your listening skills.

1. Listen more than you talk.
2. Stay focused on what the other person is saying – not on what you're going to say next. Don't plan a story you want to tell while the person is still talking.
3. Never finish another person's sentences.
4. Resist the urge to dominate the conversation.
5. Give appropriate feedback, but don't interrupt.
6. Occasionally mirror back short summations of what the other person is saying to keep your mind from moving on to other subjects and to assure the other person that you've understood what he or she has been saying.



TRENDS

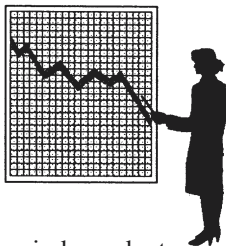
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- Libraries and archives should be permitted to make a limited number of copies to create and maintain a single replacement or preservation copy. This alteration to the current three-copy limit would, among other things, enable libraries to securely preserve digital materials.

The Library of Congress itself is struggling with the sheer amount of digital information. As a result, they have created an entirely new preservation strategy. The library currently has more than 500 terabytes (500,000 gigabytes) of digital data stored within its infrastructure, split across three data centers and a plethora of different storage technologies.

Trends...

GROUP URGES COPYRIGHT LAW CHANGES



After almost three years of research, the independent Section 108 Study Group has issued recommendations to the U.S. Library of Congress related to how libraries, archives, and museums handle copyrighted materials in the digital environment.

The Library of Congress convened the group under the auspices of the U.S. Copyright Office and the National Digital Information Infrastructure and Preservation Program. Section 108 is the section of the Copyright Act that provides limited exceptions for libraries and archives so they can make copies to replace copyrighted works in their collections when necessary, preserve them for the long term, and make them available to users.

Section 108 of the Copyright Act in its current form does not adequately address many of the issues unique to digital media, either from the perspective of rights owners or that of libraries

and archives. The report will serve as the basis on which legislation may be drafted and recommended to Congress. The recommendations represent the view of the independent study group's 19 members – who come from the library, scholarly, publishing, and entertainment communities in the public and private sectors – rather than the organizations by which they are employed.

Among the group's recommendations:

- Museums should be included for Section 108 eligibility, as they perform many of the same functions as libraries and archives.
- A new exception should be added to Section 108 to permit certain qualified libraries and archives to make preservation copies of at-risk published works prior to any damage or loss.
- A new exception should be added to Section 108 to permit libraries and archives to capture and reproduce publicly available websites and other online content for preservation purposes and to make those copies accessible to users for private study, research, or scholarship. Rights holders could opt out of this provision.

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MANAGEMENT REPORT

501 W. Glenoaks Blvd., Suite 422
Glendale, CA 91202
(818) 507-0008
FAX: (818) 547-9908
E-Mail: hyder@HyderAndAssociates.com