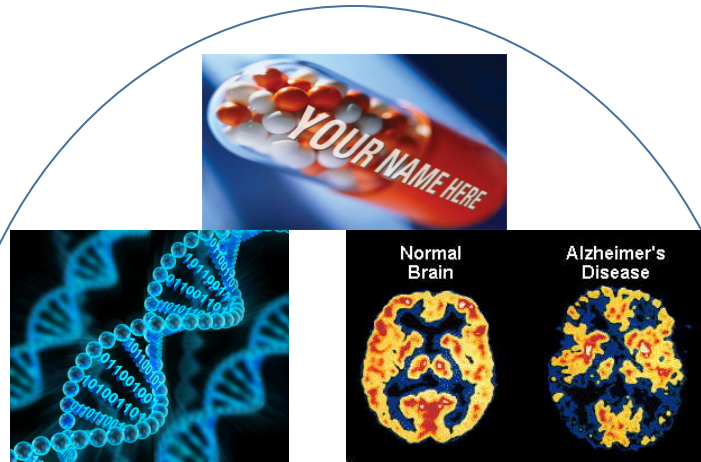


Understanding the Strategic Values of Privacy Practices in Organizations

Challenge:

- Privacy harms are inflicted by violations of data subjects' privacy, when sensitive data are misused, inaccurate or false.
- Privacy harms are emergent in that the harms arise as consequences of intended and unintended use of data.



Scientific Impact:

- We study companies' decision-making about how to balance between information privacy and data-intensive innovation.
- This research aims to help companies make strategically valuable and socially responsible decisions about privacy practices.



Companies go for long shots to gain competitive strength, even when the risk-return distribution suggests that the impact size of privacy harm can be huge.

Solution:

- The framework we develop provides the first risk-based analysis on a company's decision-making about privacy practices.
- It is also among the first to analyze the strategic values of privacy practices and how such practices affect the relative performance of competing companies.

Broader Impact:

- Our framework leads to new methodologies for companies to evaluate their privacy practices and better position themselves in a competitive environment in a socially responsible way.
- It helps policy makers understand the trade-offs faced by companies when government regulations are proposed to balance innovation and privacy.